



# Italy seeks an incomes policy

BY DOMINICK J. COYLE

SIG. RINALDO OSSOLA is probably in a better position than under the so-called Jamaica Agreement. The IMF has made trouble for the Italian economy. One is clear that substantial measures of the few bureaucrats in the to reduce inflation are now a present minority Christian pre-condition for any fresh Fund Democratic Government where he supports. Specifically, the IMF has charge of the Ministry for is calling now to privately a reduction in labour costs in order to maintain the competitiveness of Italian exports.

By implication at least, the IMF wants a radical change in the present system of Italian wage indexation, itself probably the biggest single inflationary element in the economy. The unions have replied with "not an inch," fearing that any interference with the principle of threshold payments could be the thin end of a wedge positively to reduce living standards. This is precisely what Messrs. Batt and Ossola are saying must happen for a period if Italy is to climb out of its economic morass.

### Loan support

The IMF loan itself has taken on much greater significance than its actual size. Premier Andreotti arrived in Bonn to-day to try to persuade Chancellor Helmut Schmidt either to extend further what is no longer to be done with the European Community Party and the Vatican. Sig. Ossola, being outside the party system, albeit with a personal leaning towards the small Republican grouping in Parliament, does not have political influence in Cabinet, so frequently breaks into the Italian news media with his own recipe for the country's economic ailments. His latest thoughts out loud in the Corriere Della Sera a few days ago suggested that Italy was becoming progressively more isolated from the industrial countries of the "third world" status. This follows an earlier warning from his former boss, Sig. Paolo Baffi, the present Governor of the Bank of Italy, that Italian stagnation now threatened to take on South American proportions.

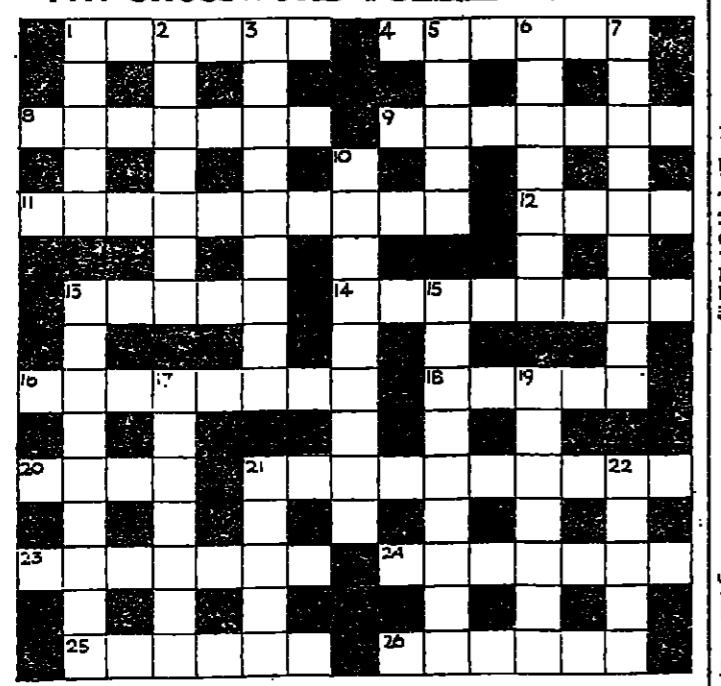
The facts certainly support these contentions. Official projections are for virtually zero growth in Italy this year, coupled with an inflation rate of some 20 per cent. or about the same as last year. The revised OECD forecast for 1977 suggests that Italian inflation could be three times the average of the main industrialised countries. The rise in nominal wages might be 21 times greater and unit wage costs could be four times the OECD average, all of course on the basis of all existing policies. The big question, therefore, is will the policies change?

Any following the veritable flood of economic announcements from the Government of Sig. Giulio Andreotti over the past three or four months must be convinced that policies have already changed. There are higher taxes on petrol and oil, £1.62 a gallon in Italy; higher postal, telephone and electricity charges; the threatened rationing of fresh meat sales and the buying-in of frozen supplies from EEC stockpiles; the continuing, import, deposit scheme and a special surcharge on foreign exchange transactions; a diet cutback at an historic peak of 15 per cent.; and the reintroduction of bank credit ceilings to reduce the average yearly credit growth. Sig. Ossola for one is telling Italians to take a look at the other sick man of Europe, International Monetary Fund and to prepare to take a strong from which Italy is seeking a dose of "English medicine."

## TV Radio

**BBC 1** 9.25 The Monday Film: *Duleima*, starring John Mills. **11.00** Tonight including News Headlines and the Kennedy Interview. **11.35** The Sky At Night. **11.55** Weather: Regional News. **11.55** Songs Of Praise. **12.00** Regional News (except London). **12.30** Play School. **12.45** Cambridgeshire. **2.01** For Schools. **3.10** Songs Of Praise. **4.20** It's The Wolf. **4.25** Jackanory. **4.40** Blue Peter. **5.05** John Craven's Newsround. **5.10** Lizzie Dripping Again. **5.20** Magic Roundabout. **5.30** Songs Of Praise. **5.35** Nationwide (London only). **6.20** Nationwide. **6.50** Ask The Family. **7.15** Poldark. **8.10** Panorama. **9.00** News. **England**—**6.35-6.50** London Newsround. **6.55** Nationwide (London only). **7.20** Nationwide. **7.35** Coronation Street. **8.10** Panorama. **9.00** News.

### F.T. CROSSWORD PUZZLE No. 3281



## THE WEEK IN THE COURTS

# Courts are locked in new battle with Executive

BY JUSTINIAN

NOTHING

LESS than the constitutional issue as to who has orders made by the courts in the ultimate say whether a such disputes are enforceable powerful public body should be by the courts themselves with stopped from acting illegally lies the aid of machinery established behind the weekend's decision by law.

The courts are not the initiators of litigation and they cannot tell any public authority to start proceedings that that authority does not wish to take.

This much is clear. For 400 years it has been the law that no individual citizen can bring an action for damages for the alternative remedy of an injunction unless he has suffered (or is not prevented) special damage over and above everyone else.

If the ordinary citizen complains about the activities of a powerful statutory body or other organisation that it is not performing its public duty, or will

against the purveyors of pornography. Blackham had taken him to court over the police policy.

In matters that concern the public interest, the Attorney-General is the guardian of the public interest. He has a special duty to enforce the law if he allows the public interest demands it. He can either take proceedings on his own behalf or give his consent to the individual litigant to bring the proceedings. Otherwise the individual has no locus standi before the courts.

### Discretion

That was precisely what Mr. Justice Stocker decided late on Friday evening. And most lawyers would have thought he was right.

In allowing the appeal against Mr. Justice Stocker's decision by the secretary of the National Association for Freedom, the Court of Appeal has declared that where there appears no discernible good reason for the Attorney-General to withhold his consent the judges will allow the citizen the remedy he would obtain if his consent had been given. In other words, the Attorney-General has under the law a discretion which he did not have in the last resort if the courts will in limited circumstances examine ministerial discretion, for example in the Tyneside and Lakes Airways case.

Although the Attorney-General is always answerable to Parliament, the courts are in effect saying that ultimately they can decide when and how the law of the land shall be enforced. On any showing this is a power that the courts have started to exercise only in very recent years. Once again the courts and the Executive are locked in battle over who is top dog.

The constitutional theory is that the courts are the arbiters of the law in any dispute between citizen and citizen, or as a whole and at Mr. McWhirter or any other private individual.

The third member of the court, Lord Justice Cairns, dissented from that view. Since that action was aimed at enforcing the public duty of the IBA and not at protecting any private right of Mr. McWhirter, the only person, he thought, who could sue, would be the Attorney-General on behalf of the public. The acceptance of both sellers and buyers of the team's limitations paid. Scotland's anaemic forward play presages further changes. Their defence was chaotic, as Young and Utley both scored on the blind side. The cardinal error within the 22-metre zone is still that the banks should prevent any running by the scrum-half. Scotland did win a fair amount

in the match, when Wakefield, Edwards remained.

After the game, coach Dawes praised captain Bennett for picking the team up and urging them a higher gear.

The plain fact was that Wales most needed themselves together, had little to offer and a forward line-up was from half-time sealed in.

The Irish lock, Hakin, trouble with injuries Ireland's forwards piled up near the Welsh line, the Welsh lock, Young, had given England a

good kick by Young, but the ball came back to him and he was able to score his second try, converted by his

team-mates. Edwards, who had given England a

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# Latest thinking on the Turbo-charging of truck engines.

BY DR. MAGNUS PYKE.



"Ford are bringing out an improved turbocharged diesel engine and they think that I can explain what's new about it and why it's better than other engines."

Most trucks have had diesel engines for the last 30 years or more.

The principle Herr Rudolf Diesel introduced, when he first heard how inefficient steam engines were, was to compress the air so tight in the cylinder that its temperature was sent up to about 800°C.

This was so hot that when the fuel was injected it ignited right away without need for a sparking plug.

A further advantage was that by running the engine like this at high pressure he obtained greater efficiency.

That is to say he got more work from each unit amount of fuel.

Turbo-charging, first applied to big marine diesels, uses part of the waste energy of the gases in an engine's exhaust pipe to run a little turbine.

This drives a compressor which forces more air into the engine's cylinder than would otherwise be sucked in by the pistons.

It gives three important advantages. The first is a more efficient use of fuel.

The second is particularly valuable: because more fuel is taken into each cylinder at every stroke, more power is obtained from the engine.

A third benefit is that because the turbo-charger compresses the air which flows into the engine, this air becomes hot, the fuel that is mixed with it burns more promptly and the engine is consequently quieter.

By fitting a turbo-charger these considerable advantages are obtained for an increase in the weight of the truck of about 100 lbs.

If the owner gets an extra 30 HP for this increase in weight (as indeed he does), he can therefore carry some tons more goods in his vehicle.

Of course to win these prizes the structure of the engine must be made strong enough to stand the extra pressure, the cooling system must be efficient enough to dissipate the extra heat which is inevitably rejected by the engine.

This is part of the Carnot Cycle (which, I need hardly add, is not a means of transport but one of the fundamental principles of thermodynamics).

And, since the turbo-charger may at times need to spin at 100,000 RPM it must obviously be properly made, adequately lubricated and precisely designed to suit the engine it is to work with.

Ford have, they say, done three things to make their Turbo II engine better than the previous model they made



To start with, the engine has been strengthened by clamping the cylinder head down more firmly.

Next, they have taken a good deal of trouble to make sure that the cooling system works more efficiently, the thermostats do their job and the water circulates no matter what the engine is doing.

Finally, improvements have been made in turbo-charger lubrication to make it easier for the men who service the trucks and keep them in good order.

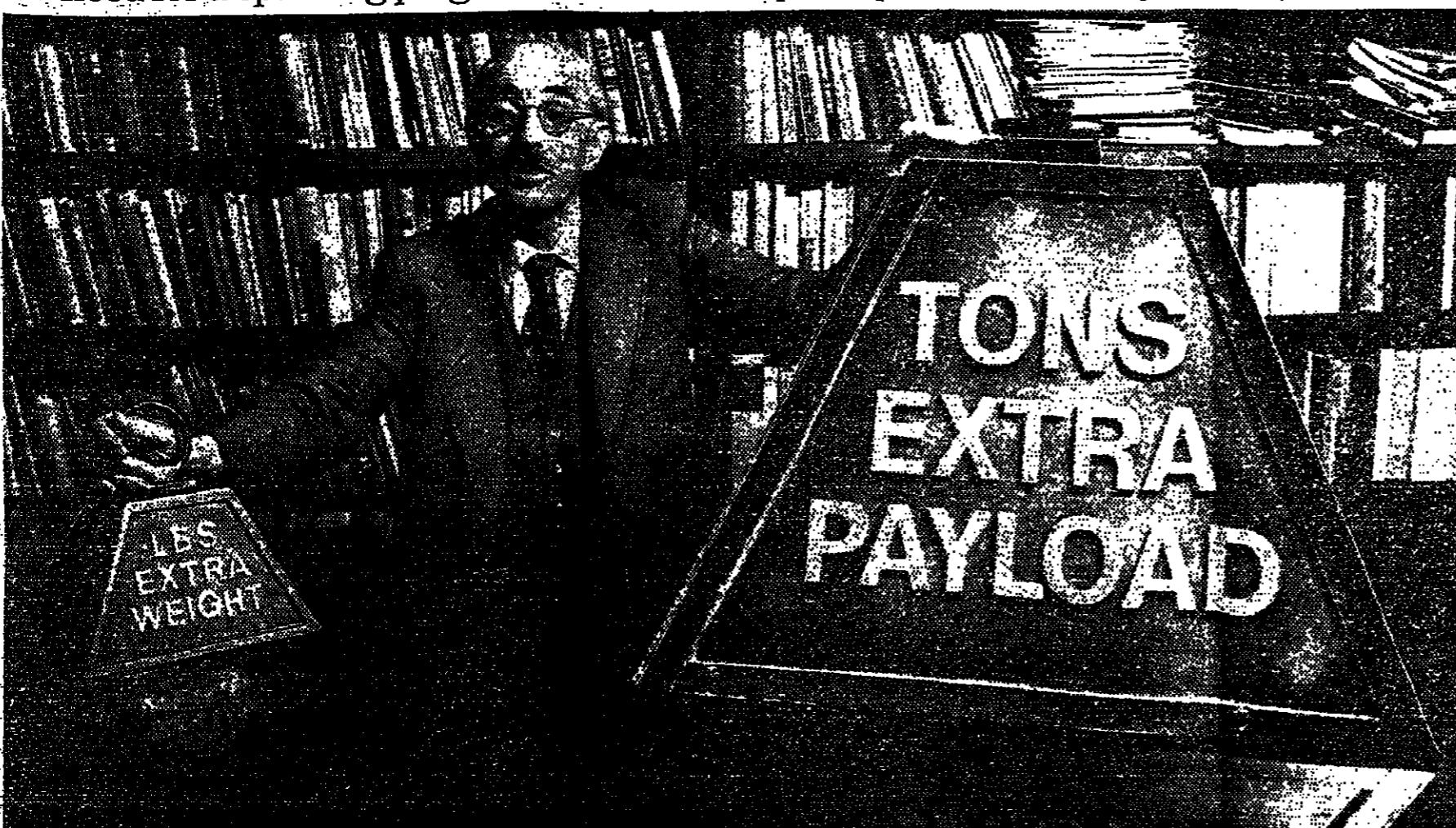
After having heard what the Ford people had to say about their Turbo II engine I felt that I knew what they were talking about.

I hope that now you do too."

*Those of you who are directly involved with the transport business will obviously want to know more.*

*Contact your local Ford Truck Specialist Dealer. He'll be pleased to arrange a presentation of the new Turbo II engine for you.*

FORD TRUCKS



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Contact: Norma Givens

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Contact: Brenda Shepherd

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Jonathan Wren & Co Ltd, 70 Bishopsgate, London EC2M 4LX. 01-623 1266.



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## WORLD TRADE NEWS

The Financial Times Monday January

## DOING BUSINESS IN THE MIDDLE EAST

## Old traders offer new chances in Bahrain

BY DOINA THOMAS IN BAHRAIN

THE RECORDS show that "Lumehlamtae and Nigisianabu" have borrowed from Ur-Nimur two minas of silver, five kur of sesame oil and 30 garments as capital for a partnership for an expedition to Dilmun to buy copper there. . . . Dilmun is now commonly adopted as an ancient name for Bahrain and the records in question were dated Mesopotamia, 1794 BC.

Modern descendants of those Mesopotamian entrepreneurs would do well to remember that Bahrainis have been in trade for a long time. An arrogant Western businessman who steps off the plane at Muharraq airport believing he can pull off a quick deal at vast profit to himself and little to the locals is likely to leave the island rather poorer, and hopefully more humble, than when he arrived.

Until very recently Bahrain was a major entrepot for the states of the lower Gulf and the eastern province of Saudi Arabia. Now the focus of trade is more on home consumption, but even so the trader mentality is still strong.

The long history of trade with the outside world has meant that Bahrainis have accustomed to foreign methods of business, including "gentlemen's agreements". They do actually like visitors to make appointments and mostly they keep them. This cannot always be said of some Europeans long time resi-

dent in the island who have got duots, normally chemists, it would also be worth while considering a clause on distribution and promotion in the agreement. Not all agents are keen to wholesale as well as retail which would hamper sales unless the public is well

retailed by registration. This has tightened useful, but as one Bahrain Minister has observed, "it is not taken in by pretty pictures while considering a clause on distribution and promotion in the agreement. Not all agents are keen to wholesale as well as retail which would hamper sales unless the public is well

Given the problems of congestion in Bahrain port at the moment though it is wise to provisions for this in any contracts specifying definite times and penalties for his agent to become liable for the events beyond his control.

Storage and port sure partially account for the prices charged locally on summer goods, also in the of a local banker. The Bank are past masters in the supply and Water Ministry's growing disillusion with Western contractors and consultants, as revealed by the Minister, Maid

at Jishi, at a Financial Times conference in October last year.

For certain sensible contracts, possible tenders are asked to pre-qualify. This simply means that the company's qualifications for the contract in question by virtue of its past experience, quality of technical staff and financial backing, and also proving that the company is not on the boycott list which can and will be checked locally. Literature on the company, exporters, constant covering all these points, written in Arabic as well as English, is ship with the Bahri busi-

ness.

It is possible under the new company law for a Western company to set up an office or a branch in Bahrain provided it does so with a Bahraini sponsor.

However, Bahrain has a tight definition of the types of business that can be done by a branch office.

It also requires proof of the viability and probity of the parent company, its local experience representative, and details of the funding of the branch before granting a commercial

branch office.

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visibility and probity of the parent company, its local experience representative, and details of the funding of the branch before granting a commercial

branch office.

At present the position

of British suppliers to the Bahrain market is still strong, but

new traditions and business

relations - basically re-

lationships - are being estab-

lished by the drop in the value of

the dinar. But past expen-

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## HOME NEWS

# State asks big power concerns to plan mergers

BY ROY HODSON

FURTHER DELAYS are likely. Review Staff's recommendations in the formulation of the to try to encourage workable Government's long-awaited plans for mergers between the power and ordering power stations and engineers.

restoring a degree of stability. Although the proposals have been known to the power engineering industry for several months, no consensus of opinion in favour of any merger plan has emerged.

Rather than take a quick decision based upon the recommendations of the Central Policy Review Staff—the Think Tank—which went to the Cabinet recently, the Government has asked the big power companies and their unions to try to agree upon rationalisation schemes among themselves.

The report proposed Government encouragement of mergers in the industry. The government wants to see a general agreement to see the

in return the Government country to a forward ordering

commitment for power stations; a coal-fired power station should be ordered at Drax, Yorkshire.

on the new Selby coalfield several years before the Central Electricity Generating Board

needs the power.

Parsons has said that unless the Board station is ordered quickly the company will have of production and consequent loss of jobs must result.

But jobs are going to be lost.

There are hopes of a substantial improvement in the trade figures out to day.

The November trade figures, with a visible trade gap of £510m, and current account of £310m, was the third worst month ever. The City

will be looking for a substantial improvement in the December figures.

BY OUR BELFAST CORRESPONDENT

THE GOVERNMENT angrily denied yesterday a report that it

was planning to withdraw half

the security forces was unlikely

to present because of the stepped

uping of the Provisional's cam

paign against soldiers and police

men.

Mr. Roy Mason, the Ulster

Secretary, in a statement issued

by the Northern Ireland Office,

A ruling by the Northern Ire

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The Government has denied

that an attempt is being made

Government sources insisted to gag Board members.

## Mason denies plan to cut Ulster troops by half

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## Inflation expected to show increase

FIGURES due this week are expected to show that inflation has increased every month since Stage Two was introduced last

Talks on the third stage of pay cuts will start soon.

The January retail price index, to be published on Friday, is expected to show the annual inflation rate has climbed to 15.1 per cent. This could be the last price indicator available before the pay talks start.

The Government is hoping that the financial resources of the National Enterprise Board, and the ability of the Department of Industry to make selective financial assistance available, will be two new factors sufficiently potent to encourage the companies to think again.

The report proposed Government encouragement of mergers in the industry. The government wants to see a general agreement to see the

in return the Government country to a forward ordering

commitment for power stations;

helping the industry improve its export performance; and ordering a new 1300 Megawatt generator, twice the size of anything in service.

In Whitehall it is acknowledged that there will be some union opposition to Government-assisted mergers because rationalisation of five major power stations will have the effect of helping power companies primarily in possible ways of helping power companies.

But jobs are going to be lost.

There are hopes of a substantial improvement in the trade figures out to day.

The November trade figures, with a visible trade gap of £510m, and current account of £310m, was the third worst month ever. The City

will be looking for a substantial improvement in the December figures.

## Coates fails at Ashfield

A CLOSE associate of Mr. Anthony Wedgwood Benn, Energy Secretary, has been rejected for the second time as prospective Labour candidate for Ashfield.

He is Mr. Ken Coates, head of the Institute for Workers Control—with which Mr. Benn is connected—and a member of Mr. Benn's team of policy advisers, although he is not on the Government payroll.

The full effects of the pound's depreciation has still to be felt, and the recent mini-Budget tax changes will add about 1 per cent to prices this year.

There are hopes of a substantial improvement in the trade figures out to day.

The November trade figures, with a visible trade gap of £510m, and current account of £310m, was the third worst month ever. The City

will be looking for a substantial improvement in the December figures.

BY MICHAEL DONNE

## Anglo-U.S. air pact talks postponed

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

FURTHER TALKS between Britain, which would mean either Britain and U.S. or a new Pan American or Trans World bilateral air agreement, sche-Airlines giving up flights to London for this week, have been London; and postponed until February 28, at called fifth-freedom rights—the

first reason for the delay rights of U.S. airlines serving London to pick up passengers here and carry them on to Con-

tinental destinations, such as Frankfurt. At present, this pro-

vides the U.S. with good business, especially at peak periods.

There are many other outstanding issues, including future levels of commission for travel agents; a new pact on charter flights (the old pact expired on December 31); and settlement of outstanding cargo issues (the U.S. has consistently refused to permit British Airways to offer cheap rates for bulk cargoes).

## Surprised

Britain has made firm proposals to the U.S. on these issues, but did not try to test the strict security which had been mounted to keep them out of the hall.

The party was formed at the beginning of last year and has two MPs, Mr. Jim Sillars (South Ayrshire) and Mr. John Robertson (Paisley). Both are former Labour members and have resigned the Government whip.

This has resulted in several least six Labour-held Scottish seats at the next General Election.

After its conference the party has emerged as radical and nationalist, favouring non-bureaucratic socialist measures such as workers' control and redistribution of land.

## Collapse

ALTHOUGH it wants independence for Scotland the conference rejected any idea that oil revenues would be totally denied to England.

Mr. John Travers, a member of the party executive, said that it would lead to divisive effects, such as the collapse of the stock market and dole queues stretching for miles.

In Scotland, the association's preference would be for development of Glasgow, Abertay, recognising the almost equally powerful claim for Edinburgh, the Scottish Assembly. Mr. James McGranicle, the secretary

of the executive in Edinburgh on Saturday to consider selection procedures for the first assembly elections.

Mr. Travers said that the party had attracted nearly 1,700 new members last year.

Sufficient demand may emerge in time to sustain up to three additional smaller Continental-type airports, with worthwhile route networks. These would serve the Midlands, the North-East and South-West.

The best compromise candidate for a major regional airport in the central and northern regions of England is Manchester, with a second runway.

But the success of Manchester, or any other central airport, will

## Peace returns to SLP

BY ROY PERMAN,  
SCOTTISH CORRESPONDENT

THE BREAKAWAY Scottish Labour Party went some way to establishing itself as a credible political force at the weekend when it successfully completed its first policy conference without mention of the internal schism which nearly wrecked it last year.

The new plant, which has taken more than three years to build, will have a capacity of between 50,000 and 80,000 tonnes and is likely to produce substantial import savings and export earnings for the British economy.

ALCOA, the U.S.-based aluminium producer, expects its introduction of the two-piece can. But tinplate has caught up at Swansea—the biggest plant in Europe. Alcoa nevertheless expects to increase its share of the can body market in Europe and claims growth in demand for aluminium easy-open ends.

The new plant, which has taken more than three years to build, will have a capacity of between 50,000 and 80,000 tonnes and is likely to produce substantial import savings and export earnings for the British economy.

## Continuous mill

Further expansion at the Swansea plant is likely to be necessary over the next five years to meet demand for aluminium easy-open ends.

The company is however likely to want to see a return first on its present investment in Glasgow on Saturday, which has been subject to some delay and which has had to be funded at a time when demand for other aluminium products has been hit by recession.

The new equipment at Swansea includes a high 84-inch reversing hot mill capable of reducing a 15 inch ingot to 1 inch before it is passed on for further cold reduction.

A possible option when expansion becomes necessary is installation of a continuous mill to undertake some of the reduction to be handled by the reversing mill. This would enable throughput to increase on the reversing mill.

In the U.S. 45bn. beer/beverage cans were made in 1976 of which 43 per cent had aluminium bodies and all of them aluminium easy-open ends.

In Europe, growth has been slower with the U.K. market put under 2.5m. tonn. this year—about half the total for Europe.

Alcoa has a year's capacity at the plant now of around 30,000 tonnes of strip products and 10,000 tonnes of extrusions, mainly for building.

Mr. Jim McLoig, Alcoa Manufacturing managing director, also disclosed that the company was likely to build a recycling plant at Swansea.

In both Britain and the rest of Europe, aluminium has had to fight hard battles against tinplate, which still holds the vast bulk of the can body market.

In the U.S. aluminium in the U.K. picks up. It already owns a major secondary smelter producing aluminium from reclaimed metal at Aylesbury, Bucks.

## British arms deals 'wretched'

BRITAIN has become the arms point and many MP's have made themselves to the arms industry.

These reports strengthen the point that Britain has made itself to the arms industry to the world's dictatorships. It is a wretched status to hold," Mr. Litterick said.

Mr. Litterick will question Mr. Fred Mulley, Defence Secretary, in the Commons about the extent of Britain's arms sales abroad in the world can rely on getting plentiful supplies of arms from Britain, and particularly short reigns have made major investments in

the U.K. is good for business."

Brian Abrahams is Classified Advertisement Manager for a large newspaper group and he's more than satisfied with the job Xpelair fans are doing in his Tele-Ad Sales Department.

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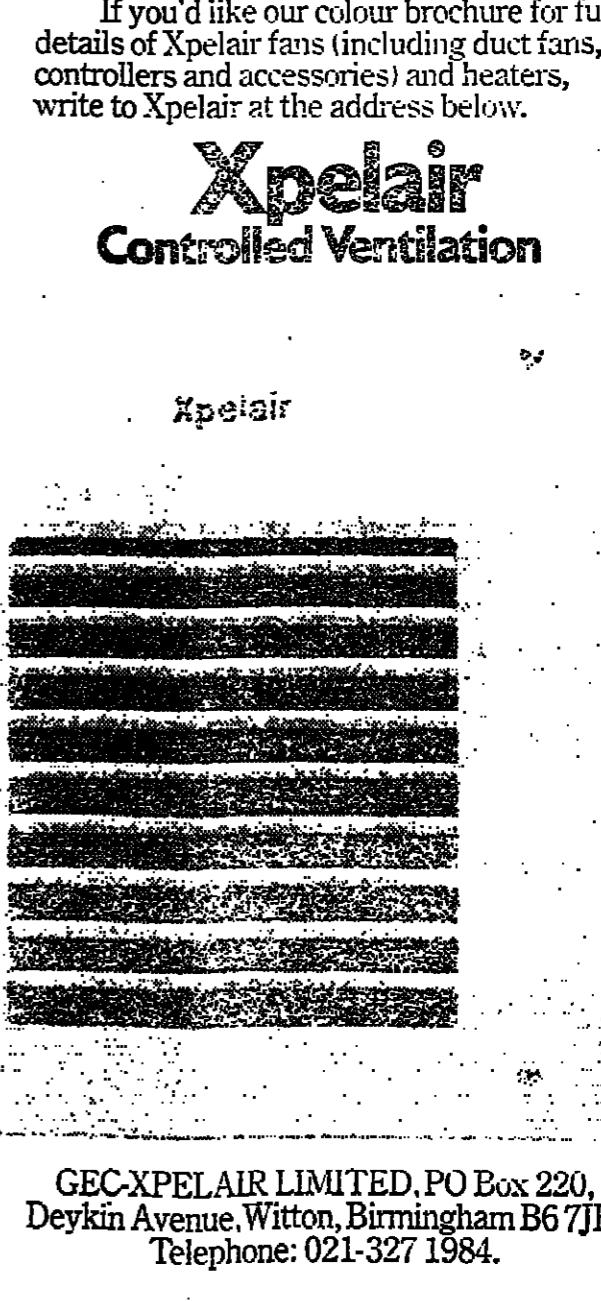
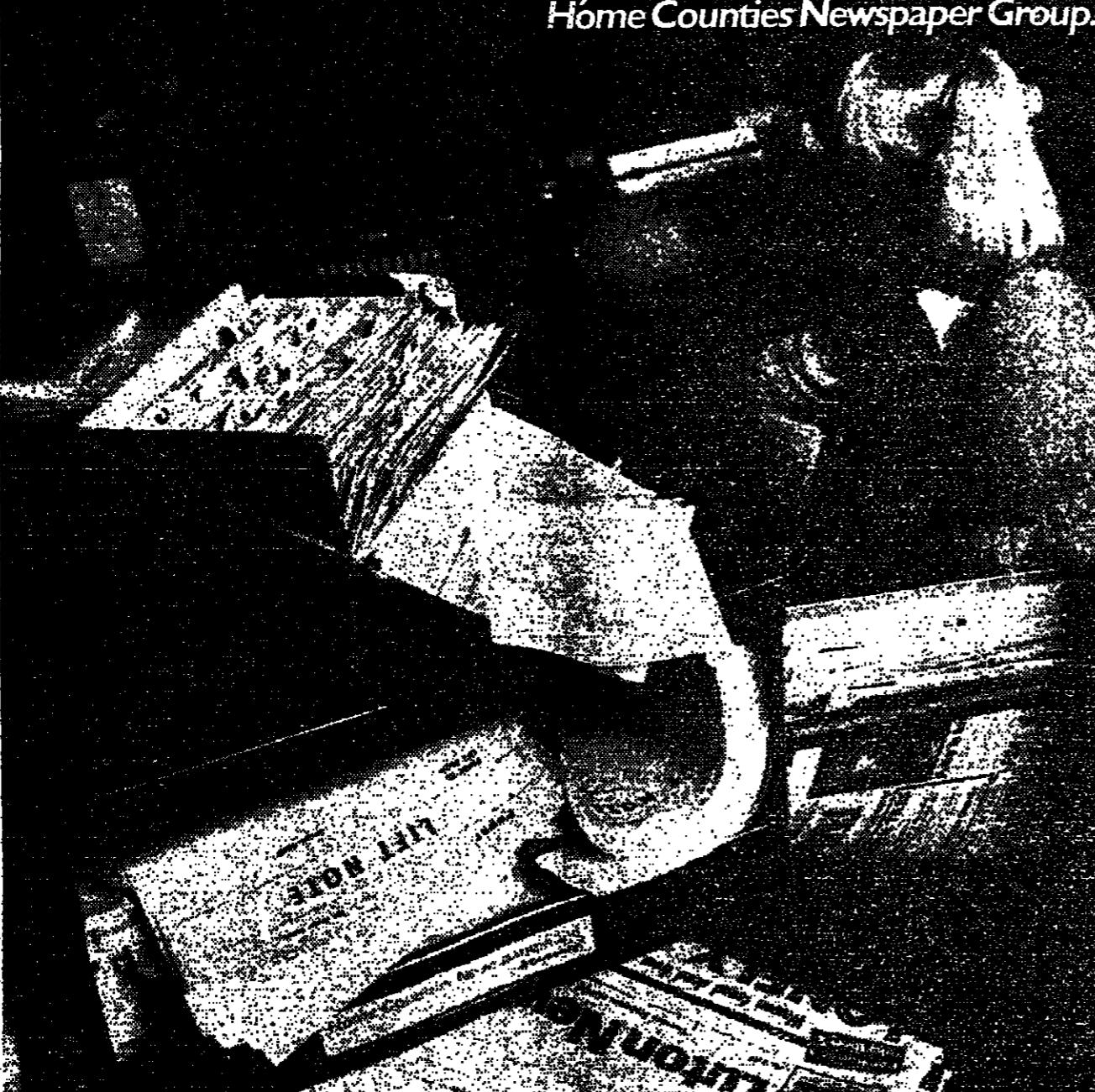
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## LABOUR NEWS

Third  
pay curb  
out, says  
Basnett

By Alan Pike, Labour Staff

THE STRAINS were showing on the wages side of the social contract and there could be no third round of pay controls on the lines of those applied in the last two years. Mr. David Basnett, one of the TUC's leading economic negotiators with the Government, said yesterday.

Mr. Basnett, while in favour of a further agreement with the Government to replace Phase Two when it expires in the summer, believes that there could not be a third round which "involves the kind of cuts in living standards of the last two years."

"Nor can there be a rigid formula like the last two years, preventing any flexibility at local level."

## Havoc feared

The comments of union leaders such as Mr. Basnett, general secretary of the General and Municipal Workers' Union, assume added significance now that the Government and TUC are involved in the first tentative stages of deciding the shape of incomes policy after August 1.

Mr. Basnett said that an immediate and disorderly return to free collective bargaining could mean havoc for the unions and certain defeat for the Labour Government.

But unless something was done to reduce unemployment, which on present policies would continue to rise, it would be difficult to agree on a further round.

Discussions covering the whole trend of economic policy must start soon.

## Factions prepare claims for Scanlon successor

By ALAN PIKE, LABOUR STAFF

THE FIRST important moves in the coming election for a successor to Mr. Hugh Scanlon, president of the Amalgamated Union of Engineering Workers, will be made at meetings of the union's Left and Right-wing groups next month.

Nominations for Mr. Scanlon's post will be called for in March. Next month's faction meetings—the Right wing in Leeds on February 5 and the Left in Birmingham the following day—will decide on the main candidates.

The political groups in the union are highly organised. It is almost certain that one of the men selected at the Leeds and Birmingham meetings will become the next leader of Britain's second largest union.

It is expected that Left-wingers will endorse Mr. Bob Wright as their candidate.

He failed to become general secretary and subsequently to retain his executive seat in two election defeats which

threatened to end his trade any other possible contenders for the union career. But he re-established himself in the union hierarchy as an assistant general secretary, with a convincing ballot victory last autumn.

Mr. Wright, a trade union official with a reputation in the motor industry for being a highly skilled negotiator, is a Left-wing member of the Labour Party. Until his election difficulties he was seen as the man favoured by Mr. Scanlon as his successor.

## Concentrated

In view of Mr. Wright's return to prominence, the Right-wingers may decide that they must run Mr. John Boyd, who became general secretary after defeating Mr. Wright in 1975.

Since becoming general secretary Mr. Boyd, the union's longest-serving senior official, has concentrated on improving the union's financial and administrative structure.

He is much better known than

## Union net extended for ships officers

By Our Labour Staff

SHIPS OFFICERS will be required to join a trade union or pay the equivalent of contributions in lieu of membership from next month under an agreement reached at the National Maritime Board.

Only officers and cadets entering the industry since April 1971 have been required until now to take up union membership.

The new agreement will

extend to all except 64 officers

who registered objections to joining a union during a survey by the Board in 1975. They will be exempt unless they change employers.

Officers with religious objections will not be expected to join a union or pay contributions.

Those who object on other grounds will be able to pay the equivalent of contributions.

The Merchant Navy and Airline Officers Association, which has the most members among the four unions recognised under the agreement, says "only a small minority of officers do not already belong to unions."

Other organisations represented are the Radio and Electronic Officers' Union, the Mercantile Marine Service Association and the Amalgamated Union of Engineering Workers.

## Give British more oil jobs'

By OUR LABOUR STAFF

DEMANDS FOR an increase in the share of work in North Sea oil fields going to British employees will be made in Edinburgh this week at a meeting of representatives of the U.K. Offshore Operators' Association and union officials.

Mr. John McConnochie, Aberdeen district secretary of the Amalgamated Union of Engineering Workers, said: "Government figures showed much too high a percentage of foreign nationals working in the offshore oil industry.

Unions will be pressing for

recognition and negotiating rights on oil field installations.

Figures given recently by Mr. Anthony Wedgwood Benn, Energy Secretary, showed that in a survey of 4,000 of the estimated 6,800-strong offshore industry work force 50 per cent. of rig and platform workers and 80 per cent. of drilling personnel were British. But 75 per cent. of service company workers were foreigners.

Union officials are seeking clarification of these figures.

Mr. George Buchan, Transport and General Workers' district officer in Aberdeen, said among the 1,200 North Sea Spanish, Italian and French

workers were common in the industry. Some Australians were also involved. He could not understand the Government figure for service companies as "99 per cent. of service company people in Aberdeen are British."

Mr. McConnochie said: "We

are not sure what service company workers may mean. Are they catering staff or could they be outside contractors brought in to do specialist work?"

According to the Department of Energy many of the service personnel are from the U.S. and General Workers' district officer in Aberdeen, said among the 1,200 North Sea

foreigners.

The award, which will be worth between £10 and £50 per month, was won under the 1959 Terms and Conditions of Employment Act.

## Open University tutors win 18% pay rises

PER INCREASES of between 18 and 21 per cent. have been awarded to 5,000 part-time Open University tutors and counsellors in spite of the restrictions of the pay policy.

The award, which will be worth between £10 and £50 per month, was won under the 1959 Terms and Conditions of Employment Act.

## CONTRACTS AND TENDERS

## IBAR-LEPENAC PROJECT YUGOSLAVIA

IBAR-LEPENAC ENTERPRISE calls for international competitive bidding for manufacture, delivery and erection of the electrical equipment for the structures of Ibar Project

## TENDER DOCUMENTS N° 4/11 - STATION AC AND DC SUPPLY AND POWER CABLES

The tenders for the above items are open only to manufacturers in member countries of the International Bank for Reconstruction and Development and Switzerland.

Tender documents may be obtained from Ibar-Lepenac Enterprise, Pristina, Lepenac Street 13, Yugoslavia, from January 24, 1977 against down-payment of unreturnable US \$ 50.

Tender documents shall be supplied in two complete sets, which is covered by above said down-payment.

Tenderers shall deposit payment to account No. 684-00-620/58-32000-72, at Kosova Bank, Pristina, marked "for Ibar-Lepenac."

Tenders shall be submitted not later than March 31, 1977.

Further information may be obtained from Ibar-Lepenac Enterprise or at Energoprojekt, Engineering and Consulting Co., Zeleni venac street No. 18, Belgrade, Yugoslavia.

## GOVERNMENT OF MALAYSIA KUANTAN PORT, PAHANG TENDER NOTICE

## CONTRACT FOR NAVIGATIONAL BUOYS OR TOWERS

The Government of Malaysia invites tenders for the supply and installation of navigational buoys or towers for the new port being constructed fifteen miles north of Kuantan in the State of Pahang.

The Government of Malaysia has received a loan from the Asian Development Bank (ADB) towards the foreign exchange cost of the project and it is intended that the proceeds of the loan shall be applied to the foreign currency payments made under the contract. Such payments by ADB will be made only upon approval by ADB of application presented by the Government of Malaysia in accordance with the terms and conditions of the loan agreement and will be subject in all respects to the terms and conditions of that agreement. It is a requirement of the sub contract that goods and services to be used for, or in connection with the sub contract shall be manufactured and/or produced from member countries of ADB and Luxembourg only.

The contract comprises the supply and installation of the navigational aids at sea to mark the approaches to the new port.

The successful tenderer will become a nominated subcontractor to one of the main contractors engaged on the project.

The supply and installation of these navigational aids is scheduled to be required during 1977.

Scope of contract—Alternative I

The supply and installation of one tower and nine buoys

—Alternative II

The supply and installation of five towers and three buoys

—Alternative III

The supply and installation of seven towers

Tender documents may be obtained not later than 4th February 1977 from the consulting engineers at the address given below on payment of a non-refundable deposit of \$15,100.00 or DP1,165.00 in the form of a cash payment or crossed cheque in favour of Bish & Partners, sent under registered cover.

The closing date of tenders shall be Friday, 1st April 1977.

BISH & PARTNERS B.V.

Consulting Engineers

P.O. Box 2278, The Hague, Netherlands.

## FEDERAL REPUBLIC OF NIGERIA NATIONAL ELECTRIC POWER AUTHORITY PREQUALIFICATION OF TENDERERS FOR

## CONTRACT NO CS 005 FOR SHIRDOH HYDRO-POWER PLANT FOR GATES, GUIDES AND HOISTS FOR

## SHIRO HYDRO-ELECTRIC PROJECT NIGER STATE, NIGERIA

The Shirdoh Hydro-Electric Project will consist of a concrete-faced rockfill dam with a height of 115 metres from the bedrock, including a 100-metre long intake, 100-metre long outlet and above ground in-dam-type powerhouse with a total installed capacity of 500 MW consisting of four units of 125 MW each and control buildings and a switchyard.

The project is located in Niger State approximately 90 km southwest of Kaduna and 10 km upstream of Shirdoh Gorge on the Kaduna River near its confluence with the Gwai River.

The National Electric Power Authority plans to move tenders in June 1978 from pre-qualified tenders for furnishing and delivering equipment for the Shirdoh Project, delivered to Lagos, Nigeria, and will contract award in March 1978. The first embedded metalwork delivery is scheduled for the end of the year.

The following tables and accompanying comments will be all enclosed in the metalwork:

Four stayway radial gates 15m x 12m x 10m, each weighing 1,000 tonnes.

Five intake floodgates 7.0m x 9.0m x 6.0m, each with a hydraulic-operated basket valve, one gate.

Seal door gates 1.5m x 1.5m, each weighing 10 tonnes, with basket valve.

In order to prequalify as an acceptable tenderer, interested manufacturers and contractors must submit prequalification forms. Required prequalification forms may be obtained from:

Ch. T. Main International, Inc.,

Prudential Center, 200 Park Avenue, New York, N.Y. 10017.

Attention: Mr. N. P. Thano, Project Manager.

Ch. T. Main International, Inc., Flat 4, 143, Adelphi Odore Street, Victoria Island, Lagos, Nigeria.

Attention: Mr. E. E. Igbo, Project Coordinator.

One copy of the letter of request for prequalification documents may be sent to:

Director, Engineering Projects Dept., National Electric Power Authority, P.M.B. 12030, Lagos, Nigeria.

The forms must be completed and returned to the addresses indicated not later than April 1, 1977.

All requests and correspondence shall include the subject, contract name and number.

## THE ARAB MINING CO.

Established by the Arab Economic Unity Council within the framework of the Arab League with a capital of Kuwaiti Dinar 120 million.

Seeks consulting services from firms with wide international experience in mining and particularly in Copper, Phosphates, Zinc, Lead . . . etc.

The Company invites interested firms for general pre-qualification for the above consulting services.

The scope of work will mainly consist of checking, evaluation and rendering consulting advice on the technical, operational and commercial aspects relating to individual projects in the Arab Countries. Detailed scope of work will be defined later on in the Agreement to be made with consulting firm.

Documentation with full particulars of interested firms are requested to be forwarded to the following address before end January 1977:

The Arab Mining Co.  
P.O. Box 20198  
AMMAN — JORDAN

## SCOTTISH DEVELOPMENT DEPARTMENT LONDON-EDINBURGH-THURSO TRUNK ROAD A9 CRUBENMORE TO NORTH OF KINGUSSIE

The Secretary of State for Scotland proposes to invite tenders from experienced contractors for the construction of the above section of trunk road, approximately 70km south of Inverness, extending from Crubbenmore on the London-Edinburgh-Thurso Trunk Road (A9) for a distance of approximately 13.0km to a point north of Kingussie.

The construction is of some 13.0km of 7.3m single carriageway in either flexible or rigid pavement. The scheme includes the excavation of approximately 930,000 cubic metres of material, 700,000 cubic metres of which are to be placed in embankments. Also included is the construction of four bridges, side road connections, drainage and other ancillary works. Approximate cost of the works is £6 million.

Subject to the completion of statutory processes, it is hoped to issue the contract documents approximately in March 1977, and the contract period will be 24 months.

Contractors wishing to be considered for inclusion in the list of firms to be invited to tender for this contract should apply to The Secretary, Scottish Development Department, NCR Building, 2, Roseburn Gardens, Edinburgh, EH12 5NJ, not later than 7th February, 1977, quoting reference RUP/15/51. Thereafter, invitations to tender will be extended to selected contractors and the necessary tender documents and drawings will be issued by Sir Alexander Gibb and Partners Consulting Engineers, 43, Northumberland Street, Edinburgh, EH1 6JH, stating when the tenders are to be returned.

The intention is that tendering should be restricted to firms of proven capacity and experience who at the time will be in a position to submit genuinely competitive tenders. Contractors who because of other commitments, or for any other reason, do not apply to be considered for these works will not in any way prejudice their eligibility for consideration for future similar contracts. This scheme has also been advertised through the medium of the Official Journal of the European Communities.

on payment of a non-refundable sum of £800.00 or its equivalent in foreign currency per set. The closing date for the receipt of tenders in RPT is 6th May, 1977.

## Contracts and Tenders appear every

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## Water charges Bill is unjustified

The Government Water Charges Equalisation Bill, which would result in extra water charges for millions of households, was condemned as "unjustified" by the Association of Metropolitan Authorities. It says: "The purpose of the Bill is to even out water charges charged to average households in England and Wales" but it can see no reason why there should not be some variation."

**The £10 losers**  
Two years of the social contract will have cost about £10 a week to workers who strictly abided by pay policy cuts in real terms, said Mr. R. Chater, a statistician with Incomes Data Services, yesterday.

**Workers wanted**  
An end to "alienation" between education and industry was called for by Sir Alex Smith, chairman of the Schools Council. It was "harming the country, and had to stop for the future well-being of the whole community," he told the National Union of Teachers' education conference.

**Cuts for aged**  
The Offshore Centre: Buyers meet Suppliers

Financial Times, Investors Chronicle, The Banker, World Banking in 1977, Brunel Univ.: Manpower Planning, Imperial College: Risk Analysis, Inst. Materials Handling: Ind. Truck Management, C.R. Tutorial: International Banking Seminar, Kepner-Tregoe: Decision Making for Senior Man, Urwick: Flu. for the Non-Fu. Executive, The Offshore Centre: Buyers meet Suppliers, Financial Times, Investors Chronicle, The Banker: World Banking in

J. E. Elliott

## The Executive's and Office World

EDITED BY JOHN ELLIOTT

## MANAGERIAL SALARIES

## The snags of jobs abroad

BY GUY HAWTIN IN FRANKFURT

LEVELS OF managerial pay in who works for a leading West German company, is paid executives to consider taking DM35,000 a year (£8,750) plus up work in other European a free flat. He thought this was countries. However a survey a good deal when he arrived recently published by the but now realises it is poor when British-German Trade Council one considers that a good bilingual secretary can command DM45,500 a year plus fringe benefits. In fact, like others from the U.K., he is probably well turn out to be something receiving half as much as he of a leap from the frying pan into the fire.

This is partly because it can be very difficult to weigh up the pros and cons of working abroad since the decline in the value of the pound confuses attempts to calculate the correct rate for the job.

Britain has in recent years been a relatively cheap recruiting ground for international managers. The majority of U.K. expatriates in Germany are employed either by the multinationals—mainly U.S.—or by the German subsidiaries of U.K. companies.

The U.K. companies here do not, in the main, appear to be over-generous to their British staff, but most anomalies seem to occur in the multinationals. It does not seem to be unusual, for instance, for a British executive to find himself controlling American juniors who, after all the extras have been added to are earning considerably more than himself. This is because a host of fringe benefits are common in Germany. For many, particularly the relatively small. Ninety-nine Americans, it includes overseas living allowances, free or subsidised housing, lump sum of entertainment allowances, travelling expenses for close relatives on visits, relocation individual mentions were for allowances and a company car. "top management" which in

One British executive here, view of the size of the companies some 14.9 per cent of top management consultant, the disparity between Britons and their international counterparts could grow because their base pay in W. German currencies declines as the pound weakens. However, he points out that Americans have tended to fare better because senior American managers are generally reluctant to move away from their centre of corporate activity.

The survey published by the British-German Trade Council should, however, be regarded as no more than a guide as only members of the Council were sampled and the response was relatively small. Ninety-nine companies filled in the questionnaire and most were small, employees at around 14.

By far the largest number of individuals mentioned were for

On the basis of the survey, some 14.9 per cent of top management

British managers often take jobs abroad thinking they will be well off. Often, however, their salaries will compare badly with their foreign counterparts' pay and fringe benefits.

management consultant, the disparity between Britons and their international counterparts could grow because their base pay in W. German currencies declines as the pound weakens. However, they appear to have an advantage in terms of company car, private medical care, pensions and holidays.

In the companies sampled, some 56.1 per cent of the executives earned between DM6,000 a month (£1,500) and over DM12,000 (£3,000) a month. At the same time, 17.6 per cent earned between DM4,000 (£1,000) and DM4,999 (£2,500) a month. The median pay rates for senior management was DM5,000 monthly, middle management DM3,900, while junior management medians ranged between DM3,250 and DM3,500. All these figures seem on the low side for the categories.

On the fringe benefits side, 67.1 per cent received no bonus or profit sharing payment, while 24.8 per cent were paid up to 24 per cent of a month's salary. The vast majority—76 per cent—were not in receipt of the traditional German 13th month salary and 65.2 per cent did not get a holiday bonus, although 22.7 per cent were given between 50 to 100 per cent of a month's pay.

*"Survey report on salaries and conditions of service in the Federal Republic of Germany and West Berlin. Prepared by IRG Ferguson in association with Urwick International management consultants. Published by the British-German Trade Council.*

management were paid between DM6,000 (£1,500) and DM8,999 (£1,750) a month. 17.8 per cent between DM10,000 (£2,500) and DM11,999 (£3,000), but only 5.9 per cent above DM12,000.

The median pay for top management among these British companies, according to the survey, was DM6,400 (£1,600) while the upper quartile was DM8,750 (£2,188) a month.

Further evidence for this comes from the fact that the survey showed that 7.1 per cent of senior management earned DM12,000 or more a month, while 10 per cent of junior management earned between DM8,000 (£2,000) and DM8,999 (£2,250) a month. The median pay rates for senior management was DM5,000 monthly, middle management DM3,900, while junior management medians ranged between DM3,250 and DM3,500. All these figures seem on the low side for the categories.

On the fringe benefits side, 67.1 per cent received no bonus or profit sharing payment, while 24.8 per cent were paid up to 24 per cent of a month's salary. The vast majority—76 per cent—were not in receipt of the traditional German 13th month salary and 65.2 per cent did not get a holiday bonus, although 22.7 per cent were given between 50 to 100 per cent of a month's pay.

*"Survey report on salaries and conditions of service in the Federal Republic of Germany and West Berlin. Prepared by IRG Ferguson in association with Urwick International management consultants. Published by the British-German Trade Council.*

## Award for product innovation

By Nicholas Leslie

A CASH PRIZE for the winner of an award designed to encourage development of new products in small companies has been doubled to £10,000 by the award's sponsor, Technical Development Capital.

This is the fifth year of the award which on previous occasions has earned first prize of £5,000. It is called TDC Innovator Award. Runners-up will receive cash totalling £5,000.

TDC is a subsidiary of the Industrial and Commercial Finance Corporation, itself an offshoot of Finance for Industry, whose shareholders comprise the English and Scottish clearing banks and the Bank of England.

While the ICFC's objective is to provide capital for smaller companies which have already progressed beyond their development stage, TDC's role is more specialised in that it aims to provide the venture capital with which new products can be exploited or existing products developed.

Plans submitted for this year's award should relate to a venture which requires no more than £250,000 of new capital and three years to realise profitable trading.

Last year's first prize was won by Maurice and Jean Fisher for their work on a new glass-fibre face mask filter. Their company, Filtral, was set up in 1973. They submitted details of costing and selling prices for the filter, an analysis of the market and profit and cash projections.

Entries should be submitted to TDC, 91, Waterloo Road, London SE1 8XP, by April 30.

## Democracy arrives in a Leyland canteen

BY SUE CAMERON

AN EGALITARIAN dining of them around. It seems that the management agreed that the room has just been opened at the majority of British industry new restaurant represented probably part of the Leyland on employees at lunchtime and available.

Special Products Group—and even within British Leyland. The employees' planning committee eventually managed to iron out most of the problems

represented nothing less than a "major step forward in industrial democracy."

Hereto the 650 Prestcold employees working at Theale near Reading have been strictly segregated at meal times. Those at the top of the company hierarchy lunched in the directors' dining room, the lesser nobility ate in the managers' dining room, the bourgeoisie received waitress service in the staff canteen, and the rest workers were unhappy about demands that they should remove their overalls before eating. They only have 45 minutes for lunch and they felt chosen because of its classiness—was opened on December 15 last year. It is housed in an old building but the cost having to queue for food in of refurbishing and of installing kitchen equipment was £190,000.

The restaurant—the title was chosen because of its classiness—was opened on December 15 last year. It is housed in an old building but the cost having to queue for food in of refurbishing and of installing kitchen equipment was £190,000.

Change only came when Prestcold, which manufactures commercial refrigerators, decided to pull down the old dining rooms and canteens in order to extend its factory. It is not clear who first mooted the idea of a one-class restaurant for all workers but the notion was quickly taken up by Mr. Des Thomson, managing director of the Prestcold division.

Plans submitted for this year's award should relate to a venture which requires no more than £250,000 of new capital and three years to realise profitable trading.

Last year's first prize was won by Maurice and Jean Fisher for their work on a new glass-fibre face mask filter. Their company, Filtral, was set up in 1973. They submitted details of costing and selling prices for the filter, an analysis of the market and profit and cash projections.

Entries should be submitted to TDC, 91, Waterloo Road, London SE1 8XP, by April 30.

## WELSH CONSULTANCY

## A specialist approach

BY RHYS DAVID

TWO YEARS after making the of England and to Scotland, possess the necessary self-discipline to train themselves consultants Inbucor/AIC. Alan Management Centre, independent, a skill that must be acquired Rosser has recently moved his newly run as a trust, now boasts while young—they are likely to own operation back into the eight full-time lecturers and 12 get into a rut. They are likely Cardiff, suite of offices from visiting lecturers—mostly to lack the broader picture of which he used to run the American professors and from business outside their own American company's Wales and offering management seminars specialism and may not be West of England activities, and courses it has now moved keeping abreast of developments. Rosser, an enthusiastic into in-company training programmes, in their own field, so that Welshman with a mission to improve standards of management executive selection. In industry, left Inbucor because he wanted to try his that far too little attention is own ideas in the field of paid within British industry to be still with Inbucor to try to fill management development, and the need for managers to keep he has since expanded into up to date with their business the South West, North East education. Unless managers

## INDUSTRIAL DEMOCRACY

## The Bullock Report

Conference at The Cafe Royal

Monday 14th February 1977, 0915-1745

The Bullock Report on Industrial Democracy will be the most significant since the Donovan Commission's. If the concept of worker participation is allowed to evolve it will lead to a more viable economic climate, and greatly improve relationships between employers and employees.

The greater part of the afternoon has been allocated to members of the Bullock Committee so that they may comment and answer questions from the delegates.

Speakers:

Mr. Edmund Dell, MP, Secretary of State for Trade  
Mr. James Prior, MP, Opposition spokesman on employment  
David Bassett, General Secretary, General and Municipal Workers Union

Alex Jarratt, Chairman, Reed International Ltd.

Members of the Bullock Committee

For further details and bookings contact:

The Industrial Society  
3 Carlton House Terrace, London, W1  
Tel: 01-839 4300, ext. 256

## Recruitment

Attendance at the courses led to requests from a number of organisations for in-company training programmes. This in turn led to a demand for consultancy and executive selection services, and it was this growth which persuaded Rosser in 1974 to devote all his time to building up the centre.

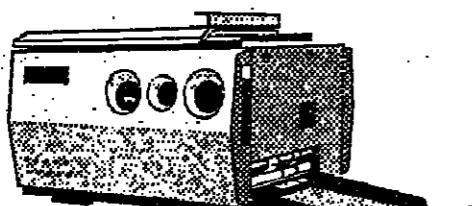
Among the jobs which the Wales Centre is now tackling is training managers within a prominent West of England engineering company employing around 2,500, which is implementing a new corporate plan drawn up by its American owners. The plan envisages a shift away from dependence on one key industry, and a year-long training programme is now in progress designed to train managers to achieve the objectives specified by the parent.

Another project of the Centre involves consultancy work, though it is intended that consultancy should remain the hand-maiden of management development rather than the other way around. In this case the organisation will be engaged initially in identifying areas for improving efficiency and return on assets within a major paper company, but the emphasis will then change to bring in the Centre's training resources. One of the American professors will introduce into the company a comprehensive training scheme designed to achieve the goals being sought, and key executives will be assigned special work programmes.

The centre's success so far suggests, however, that it may have identified a management weak spot also recognised by a number of companies, and that is the need for facilities which can recharge executives within the context of their own organisations, and help keep them up-to-date.

## TOSHIBA

The B4 sheet capacity of the Toshiba 702 plain paper copier makes a convincing case for solicitors.



For full details of the Toshiba 702 please return this coupon or contact

R. Smith, Sales Director, Lion Office Equipment Ltd., Clancy House, Albert Road, South Norwood, London SE25 4LQ. Tel: 01-654 8122.

Since 1968, the Sole UK distributor of Toshiba copying machines.

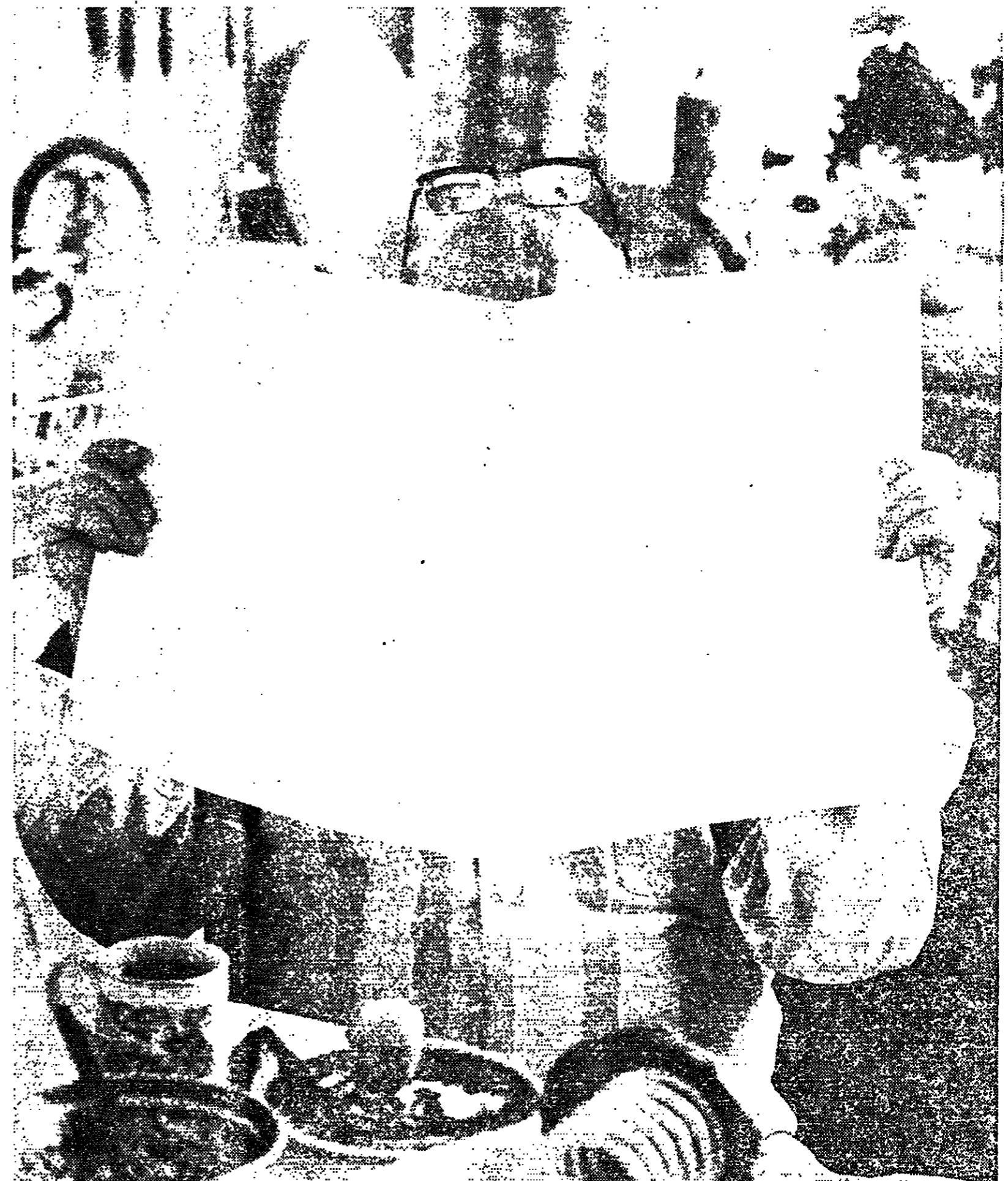
Please let me have more information on the Toshiba range of copiers.

FT/17/1

Name \_\_\_\_\_

Address \_\_\_\_\_

Telephone \_\_\_\_\_



## No news is good news?

Each week in this country well over 100,000,000 newspapers are circulated. Nationals, Sundays, Provincial Dailies, Weeklies, Consumer Publications, Trade and Technical Journals.

Without electricity, you'd be eating your toast and marmalade behind blank pages.

Electricity powers the motors which drive the printing machines.

It powers the trimming and folding machines, the process-engraving machines, the moulding machines, the typesetting.

In terms of exports, UK papers, magazines and books alone account for £170,000,000 each year.

And that's good news for everybody.

Exports are this country's life blood.

Electricity helps generate them.

THINK ELECTRIC

The Electricity Council, England and Wales



# Building and Civil Engineering

## METALWORK Press kits simplify export

BRITISH Rail Hovercraft has expansion in expected to enable

Robert McAlpine and Sons for tons a year.

The project requires extensive dredging and reclamation and the second stage of construction is the new hoverport facility in the Western Docks area of Blyth.

McAlpine is to construct the

Customs and Excise, administration and public area buildings,

together with vehicle marshalling

areas, on a 38,000-square-metres

site, to an accelerated work pro-

gramme aimed at completion in

1978. This will coincide with the

anticipated delivery of the new

100-passenger, 55-vehicle capa-

Architects for the new Dover

Hoverport, destined to be the

largest and most modern instal-

lation of its type in the world, is

the British Rail Architects

Structural Design

Group. is by The McAlpine Design

Group.

## £5m. plant contract

AUTON AND CO., Derby (Wessoe Group) has received

from the Generation Develop-

ment and Construction Division

of the Central Electricity

Generating Board, the general

mechanical contract for Little

brook "D" Generating Station,

Kent.

The order, valued at £5m

involves supply and installation

of mechanical plant, including

pumps, valves, coolers, centrifu-

ges, tanks and instrumentation

in addition to the supply and

erection of low pressure pipe

lines associated with the three

100MW turbo alternator and

generator units.

The largest dock, 525 metres

long and 100 metres wide, capable

of holding tankers up to 1m dwt

and the second for tankers up to

500,000 dwt, will be constructed

first. The third and smallest

dock, for tankers up to 350,000

dwt will be dewatered when the

dock walls are completed and the

cofferdam built extended. Dock

walls are formed with reinforced

concrete caissons, shored on to

prepared seabed, positioned and

sealed against water penetration.

The 162m. dry dock and ship

repair complex is being designed

and built for the Dubai Drydock

Company under the direction of

Sir William Halcrow and Partners.

## Drains and sewers

THE SECOND stage of the Blyth

main drainage scheme for

Northumbrian Water Authority

is to be undertaken by Kennacon

Construction, a subsidiary of the

British Gas Group. Value of the

Completion of the phase I contract is £1.45m.

**STEEL STOCKHOLDERS**  
of  
Prime and Secondary Steel  
STRUCTURAL ENGINEERS  
RAINHAM STEEL COMPANY LIMITED  
Boomes Industrial Estate, Dovers Corner  
New Road, Rainham, Essex.  
Tel: Rainham 56034.

## Reinforced materials

A CONFERENCE on "Fibre Reinforced Materials: Design and Engineering Applications," will be held at the Institution of Civil Engineers in London, March 23-24.

It has been organised by the

Joint British Committee for Stress

Analysis." This Committee is

made up of representatives from

14 national bodies who have an

interest in the subject.

Two CONTRACTS, together

valued at more than £3.3m. have

been awarded to John Laing

Construction by the Property

Services Agency of the Depart-

ment of the Environment.

The first, worth just under

£2m., is for accommodation for

the European centre for medium

range weather forecasting at

Shinfield, on the outskirts of

Reading, Berkshire.

This will include a computer

suite, consisting of a single

storey computer hall but of

double storey height, two storey

office accommodation on the east

side and a basement on the north

side. The suite will be linked

to a new four storey office block.

Laing will erect a conference

block of mainly two storey con-

struction adjacent to this, and

various ancillary buildings, in-

cluding standby generator house,

cooling towers and control point

building. Also included in the

contract are external roads and

pavings, drainage and services.

Construction will be mainly of

reinforced concrete frame clad

in block and brickwork on a

reinforced concrete ground slab.

The computer suite will incor-

porate a steel frame. Work has been

just begun and is due to finish as

part of the town's Thistle Centre

development.

The second contract, worth

£1.4m., is for offices, £100,000

for a shop unit, £1,000,000 for

five phase five flats, £1,000,000

for a shop unit and a shop unit.

The four year contract calls for

a three storey office laboratory,

block linked to a specialist

laboratory together with a small

workshop building and ancillary

services and the refurbishment

of an existing building containing

further office and laboratory

space.

The specialist laboratory build-

ing will be used to simulate

climatic conditions to test equip-

ment and clothing, diets and

reactions of arm personnel. This

is done in two highly insulated

chambers—one hot and the other

cold—built into the structure of

the building. Because these

chambers may expand or con-

tract due to extremes of tempera-

ture, they have been designed

with expansion joints to stop

cracking in the main structure.

About £3.6m. worth of shop

work is to be carried out for

Debenhams by John Laing.

Two of the jobs are in Scot-

land—at Greenock and Stirling.

## Wimpey tots up £7m.

IN FIVE contracts just

announced, various branches of

the Wimpey empire have won

and block cavity walls. Work

business which adds up to over

should be completed in March.

1978.

The biggest of the awards is

one for £1.6m. by Roussel

Laboratories of Swindon for a

new production building to be

established as a two-storey struc-

ture on piled foundations and

with a frame partly in reinforced

concrete and partly in concrete

slab.

The plant will be at Kingfisher

Drive, Covingham, Swindon, and

it will benefit from an extension

to the existing services area and

to an amenity building.

Work starts next month and

should be completed by September

1978. Architects are Morgan

Branch Roberts.

Three contracts announced by

Wimpey Canada add up to

£1.85m., the largest being for a

major trunk sewer for the City

of Ottawa at a cost of £1.67m.

At Middleton, near Bridge of

Don, Aberdeen, the company will

build 182 dwellings for the Scott

ish Special Housing Association.

Designed by the SSHA, they will

be in No. 15, with the exception

of 14 two-storey flats, two person

single-storey flats, two person

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Bogota: 1200 Bulevar Presidente Juan Domingo Perón, 13, Tel: 011-520-2128  
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Tokyo: 200, Nihonbashi, Chuo-ku, Tel: 03-520-2128  
Singapore: 1200 Bulevar Presidente Juan Domingo Perón, 13, Tel: 011-520-2128

MONDAY, JANUARY 17, 1977

## One policy too many

THE EXTRAORDINARY events well come from an inflow from the financial markets last overseas—partly through the week suggest that the authorities are finding it little easier to live with a relatively stronger currency and a buoyant financial market than they did to manage the consequences of sterling's collapse. In the summer, the authorities were trying to hold down the cost of servicing the national debt, and to support sterling. As a result funding came to a halt, the expansion of domestic credit ran out of control, and this in turn provided finance for part of the outflow which in the end virtually exhausted the currency reserves.

The spectacle of the Bank of England industrially undermining its own policies would be comic if the implications were not so serious: but in fact present policies threaten not only a quite unnecessary burden on the public finances for up to 20 years hence, but a growing list of damaging and distorting controls on the financial markets.

The damage, both last summer and now, arises from the determination of the authorities to dictate every term in an equation which does not add up. It is difficult enough to try to control domestic credit expansion, the domestic money supply, and the exchange rate; but to try also to dictate the interest rate structure which might reconcile these other stock, and a new short tap market for some time to come, workable only through such was heavily over-subscribed, devices as the corset, special Again, the authorities are pro-deposits, and no doubt two-tier vying the finance for the interest rates in future. What market to back a view which compounds the trouble is the is officially regarded as wrong—determination to influence not headed, only this time the just one or two key rates—provision is direct and delirious: minimum lending rate and rate. Unprecedented assistance fino to ten-year gilts—but the has been provided to the disarray of the yield curve itself, count market—essentially to finance its large book of Treasury bills and gilts.

**Controlled**

On Thursday the release of ting rates too high; and it might 2 per cent of special deposits was announced. This is intended to help finance tax payments; but it will also make it easier than it would otherwise be for investors to finance inflation and interest rates, and that hope purchases from the record of falling inflation might well

£1.5bn long tap announced on Friday. This again is intended to provide a market, and to remain on offer, on terms closely controlled by the authorities, for some months to come. It seems likely that it will rapidly be sold. Such finance as the authorities are not themselves providing may sluggish.

**Signs of change in Madrid**

THE SIGNS from Spain in ber of senior officers. Any dissatisfaction this may provoke will be countered, the Government hopes, by its plans to increase defence expenditure and introduce new weapons.

Nevertheless, the Government has to tread warily. There are still strong conservative elements in the Army, including a number of officers who do not want to abandon the possibility of playing a political role.

But the Government's hand has been doubly strengthened in recent weeks, first by the referendum's revelation of the smallness of the extreme Right vote, and secondly by the reappearing in Madrid of the banned Communist leader, Sr. Santiago Carrillo, by releasing him on bail, and it seems probable that Communists will be allowed to stand unofficially in the coming elections, provided they do so as private individuals.

**Important step**

Negotiations between the Government and the Opposition on the conduct of the elections—due to be held in May or June—have got off to a good start, and at the end of last month the Government announced the abolition of political courts. Now the authorities appear to be making a determined effort to ensure that the Army is kept out of politics—another essential element of the overall re-form programme. Last week's appointment of a relatively liberal officer, Lieutenant-General Jose Vega Rodriguez, to the new post of Army Chief of Staff, is an important step in this direction. The Government's aim is now clearly to dismantle the old system, under which the armed forces were controlled by serving officers from inside the Cabinet, and substitute a more conventional West European chain of command, possibly with a civilian Minister of Defence at some stage in the future.

By creating a strictly professional army, the Government is also aiming to ease Spain's entry into Nato. The armed forces are to be reduced in size through the phasing out of a compulsory military service and stable Parliamentary democracy. The early retirement of a num-

A strategy to catch up with the U.S. and Japan is showing success. Christopher Lorenz reports.

# Europe strengthens its hand in microelectronics

EUROPE'S search for a strategy against foreign domination go to non-microelectronic companies, indicates that it is not only intended to be Britain's grounds, even more—more often than not—they have been unprofitable. The most obvious exception is GEC, which has maintained a design capacity, but cut back production to a trickle several years ago. Some of its executives have argued against the electronics trade fair, which might just as well throw in the leading international microelectronics fraternity, which is a measure of their weakness that Plessey and Thomson, common wisdom, claiming that

AEG-Telefunken and Plessey which are trying to orchestrate the ground.

French Press immediately had a more ominous reason for speculating that other companies, even Philips and only companies which have the

But many people at Munich much longer. If you want your circuits to be "designed into" these products, then you have to be on the spot.

A third argument in favour of a trans-continental operation is the old one of volume: the larger your market, the lower your production costs, and the greater your ability to generate the massive amounts of development resources which are needed in this business. Since so much of the latest technology emanates from the west coast of the U.S., a Californian base becomes particularly attractive.

Philips set the lead in this direction two years ago, by taking over Signetics, one of the U.S. leaders. It is this which helped it into the world's number two position last year (with integrated circuit sales of about \$200m.). Siemens is now strong enough to make a similar move, though it might prefer a co-operative venture beyond its existing relationship with Intel, or the U.S. or, to the most likely to consider a deal with a Japanese company.

Neither Philips nor Siemens sets much store by one of the main proposals of the current multilateral European talks that major customers for circuits (such as the post offices and defence ministries) should agree on common European technical specifications. Apart from the inordinate time it would take to achieve any results, Siemens components chief, Dr. Friedrich Baur, says microelectronics "is a world market. You can't approach it just with European standards." His marketing director, Dr. Alfred Proemmer, is even more forthright: "A global market position means everything, a regional one—almost nothing."

So neither company can wait to establish close collaboration in manufacturing or marketing with its weaker European brethren. This would only make it more difficult to take quick managerial decisions, and mark a return to the world of inter-governmental machination which so recently crippled, and then destroyed, the Philips-Siemens Unidata computer alliance with the French.

A lower-level association or basic production technology, or a limited exchange of know-how, would be less of a problem. It is this sort of loose link which could result from the multilateral European talks. But whether such a limited arrangement would really strengthen the individual companies must be questionable, despite the extra government financial support they would achieve. Meanwhile, the next few months will see the various parties jockeying for position.

Both Philips and Siemens consider that a European base is totally insufficient for survival in this cut-throat industry. This is not only because of the need to support their growing equipment business in the U.S. market, but also because so many of the French Government, which has already made one attempt to involve Philips' French subsidiary in an "all-French" partnership with Thomson.

## The World Microcircuit Leaders (1975)

Including in-house sales

Texas Instruments (U.S.)	\$300m
National Semiconductor (U.S.)	\$168m
Philips (Europe)	\$160m
Fairchild (U.S.)	\$153m
Motorola (U.S.)	\$122m
Intel (U.S.)	\$111m
Rockwell (U.S.)	\$75m
RCA (U.S.)	\$72m
Nippon Electric (Japan)	\$64m
Hitachi (Japan)	\$56m
ITT (U.S.)	\$44m
Siemens (Europe)	\$33m
Toshiba (Japan)	\$29m
Ses-Ates (Italy)	\$23m
Thomson (France)	\$20m

Notes:  
Main base in brackets.  
Excludes production of IBM and Western Electric (in-house only).  
Much of ITT's production is in Europe.  
↑ Philips \$200m. in 1974; Siemens \$60m.

Source: Independent Market Estimates.



Microelectronics in the kitchen; already inside the telephone, and now challenging the housewife for control of cookers and washing machines.

## Integrated Circuits

### WORLD MARKET SHARES



This overall weakness has implications for national payment balances—even Germany has a heavy trade deficit in integrated circuits. There is also a strong strategic argument for a greater European effort. With microcircuits becoming a major part of so many types of equipment, in both the military and civil sphere, many European equipment companies fear that their U.S. competitors are gaining a significant lead through their domination of—or access to—the latest circuit technology.

Once a European company has decided to try to build a major presence in the market, and to maintain it against this intense international competition, it faces the question of whether its domestic market is sufficiently broad to support its development programme costing well over \$80m. a year. The clearly stated aim of the programme is to close the gap with the United States by 1980.

Public reaction to the pro-

gramme has been schizophrenic, but it illus-

trates many of the problems

which face the entire European

industry, and the Governments

was an intense debate among microcircuit companies in the delegates about how to answer the twin challenges of sales of only about \$20m., compared with Philips' \$50m. (only Japanese strength. Senior part of which is manufactured by leading U.S. manufacturer in 1973, and its new drive for overseas expansion could revive these ambitions.

From the growth of the market, and the penetration of microelectronics into an even wider range of equipment, the most obvious incentive to European co-operation has been the decision of the Japanese to pool the resources of several companies and ministries in a tightly co-ordinated development programme costing well over \$80m. a year. The clearly stated aim of the programme is to close the gap with the United States by 1980.

But everyone has to start from scratch. One of the immediate justifications for Plessey and Ferranti trying to pool resources and ministries is, of the sort which has been rumoured in the case of AEG-Telefunken (with Siemens the main European company for their telecommunications and computer products). If they succeed in forging a major presence in the market, and to maintain it against this intense international competition, it faces the question of whether its domestic market is sufficiently broad to support its development programme costing well over \$80m. a year. The clearly stated aim of the programme is to close the gap with the United States by 1980.

Both Philips and Siemens consider that a European base is totally insufficient for survival in this cut-throat industry. This is not only because of the need to support their growing equipment business in the U.S. market, but also because so many of the French Government, which has

already made one attempt to involve Philips' French subsidiary in an "all-French" partnership with Thomson.

Meanwhile, the various parties

will be jockeying for position.

As always in European business, the key factors will be the strategy of the French Government, which has

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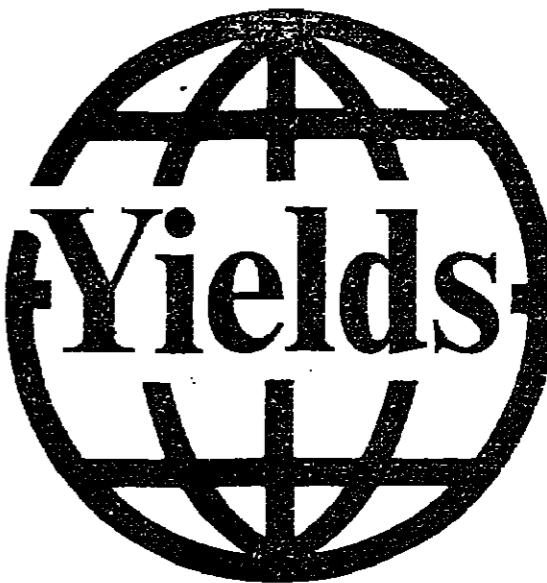
already made

J. P. K. 1977

## FINANCIAL TIMES

## Eurobond Quotations and Yields

QUOTATIONS AND YIELDS AT 31st DECEMBER, 1976



● Last autumn the Association of International Bond Dealers (AIBD) started to compile current market quotations and yields for Eurobond issues. As from June 7, these quotations and yields are being published monthly by the Financial Times. The Association's prices and yields are compiled from quotations obtained from market-makers on the last working day of each month; there is no single stock exchange for Eurobonds in the usually recognised sense—secondary market trading business is done on the telephone between dealers scattered across the world's major financial centres. Membership of the AIBD, which was established in 1969, comprises over 350 institutions from about 18 countries. A key to the tables is published opposite.

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—Italy	15-16	Austrian Schillings	19	—S. Africa	21
—Jamaica	16	Canadian Dollars	19	—Switzerland	21
				—U.K.	21
				Convertibles—U.S.	21-22

The table of quotations and yields gives the latest rates available on 31st December, 1976. This information is from reports from official and other sources which the Association of International Bond Dealers considers to be reliable, but adequate means of checking its accuracy are not available and the Association does not guarantee that the information it contains is accurate or complete. All rates quoted are for indication purposes only and are not based on, nor are they intended to be used as a basis for, particular transactions. In quoting the rates, the Association does not undertake that its members will trade in all the listed Eurobonds and the Association, its members and the Financial Times Limited do not accept any responsibility for errors in the table.

## ASSOCIATION OF INTERNATIONAL BOND DEALERS

## MARKET MAKERS

## REGION 1—BELGIUM

105 Bondideade	1000 Brussels	3, Montagne du Parc	P 21 90 40/51 82 38	T 23 438
110 Dewaay, Sebille, Servais	Van Campenbult & Gie	1 Boulevard Anspach-Buite 10	P 218 38 90	T 21 325/21 326
115 Kredietbank N.V.	1000 Brussels	1, Anbergstraat	P 511 90 99	T 23 522/23 522 Trading

115 Kredietbank N.V.	1000 Brussels	1, Anbergstraat	P 511 90 99	T 23 522/23 522 Trading
115 Kredietbank N.V.	1000 Brussels	1, Anbergstraat	P 511 90 99	T 23 522/23 522 Trading
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115 Kredietbank N.V.	1000 Brussels	1, Anbergstraat</td		







John Smith

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Euro Deutsche Mark  
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Euro Guilder  
EUAs  
ECUs  
European Composite  
Floating Rate Notes  
Kuwaiti Dinars

US Domestic Foreign bonds  
Sterling Deutsche Mark  
Norwegian Kroner/Deutsche Mark  
ECU/Deutsche Mark  
Danish Kroner/Deutsche Mark

SDRs  
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Block offerings  
Domestic bonds

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# REUTERS







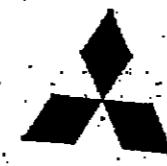






\$30,000,000

**Mitsubishi Electric Corporation**  
7½% Convertible Sinking Fund Debentures Due 1991



Kidder, Peabody International Limited

Daiwa Securities Co. Ltd.

Securities

S. G. Warburg &amp; Co. Ltd.

January 1976

NEW ISSUE

US \$20,000,000

**Avco Financial Services Canada Limited**  
9½% Guaranteed Notes due 1983

Unconditionally Guaranteed as to Payment of  
Principal, Sinking Fund and Interest by

**Avco Financial Services, Inc.**

Kidder, Peabody International Limited

Banque Nationale de Paris

Salomon Brothers International Limited

Swiss Bank Corporation (Overseas)

A.E. Ames &amp; Co. Limited

Bechtel Halsey Storer

Algemeene Bank Nederland N.V.

Bankers Trust Company

# London tills ring up a satisfactory sale

BY ELINOR GOODMAN



ENTER A different world, say the posters for Harrods at Knightsbridge underground station. Different it certainly was last Saturday on the first day of its clearance sales. Outside the store, Britain may have been wallowing in recession and the street musicians complaining that their incomes had not kept up with inflation, but inside it was as if the clock had been turned back five years to the days of boozing Britain.

Women elbowled each other on the escalators in an attempt to be the first one to the fur departments, and husbands asked as a shopper at Harrods suggested, people were "buying like there was no tomorrow." More probably they thought they would not be able to afford the goods tomorrow. Though by the end of the first days of their sales, some stores looked like fish markets after the heavy mob had moved in, there were good bargains to be had and consumers are, if anything, more appreciative of these bargains than they were in the past.

At the end of the day, the store had taken £2.5m—seven times as much as a peak shopping day before Christmas and 12 per cent more than the first day of the sale last year. Ten days before, the picture had been the same in London's Oxford Street, when stores like Selfridges, Debenhams, and John Lewis started their sales. Though some of the big groups, like Debenhams and Marks and Spencer, say some of their pre-Christmas sales are only fractionally below those of the stores seemed to have taken

## Letters to the Editor

### Inducements needed

From Mr. A. Unsworth  
Sir—Officials are constantly suggesting that the manufacturing sector increase productivity. In 1974, manufacturing accounted for 28.4 per cent of the gross domestic product; whereas public administration, defence, public health, educational and other services accounted for 26 per cent of the gross domestic product.

The manufacturing industry between 1970 and 1974 increased its value by 46.4 per cent. Take into account the increase in the number employed in manufacturing, the figure is increased to 49.2 per cent. During the same period, the sum of public administration, defence, public health, education and other services increased by 82.3 per cent. Surely what is required is for the Government to reduce expenditure by the same value as manufacturing industry increases its sales value.

The average yield on industrial shares is 6.76 per cent. The yield on 20 years' Government stocks is 13.28 per cent to redemption. Institutions (and the private investor) purchase ordinary shares for capital gain and yield, but they also take a risk, particularly with the high minimum lending rates existing. On a short-time basis there is not the slightest value in investing in industry with a prospect of 10 per cent increase in yield. As far as the yield on industrial shares is concerned, there can be little real growth in the price of an average industrial share and the risk of a downside fall in the quotation is great due to limited home demand which must shrink with controlled wages and inflation still running at 12 per cent, unless it depends on which set of figures are examined. Consumers' expenditure as a percentage of the gross national product was little changed between 1964 and 1974 and in both years accounted for 63 per cent.

### Outflow

There has probably been a considerable outflow of young executives to other EEC countries in the last two years; can they afford to come back? Most have departed with a large increase in salary. If they are in Belgium or France (and probably other EEC countries) they will have had an increase in salary proportional to inflation, plus an increase due to their remuneration. Let us assume that the taxes, that is, income tax plus other taxes VAT, are at the same level in the UK and more money out of income than they would have done had they stayed in the UK, as over the last year the purchasing power of the executive in the UK will have decreased. If their excess income over expenditure was remitted monthly, they had a further bonus, due to the fall in value of sterling plus a high rate of interest, once the saving was converted into sterling. Further, if they spent their foreign currency in the UK, there was yet another gain.

The Government must give an inducement to industry and to the individual to produce more, to export more and to invest in British industry. Some countries, such as Spain, give a bonus to exporters which is related to the value of exports. If the British Government gave industry and the self-employed a remittance of some tax on the profits on exports, there would be a considerable increase in our overseas earnings. If British goods sold to overseas visitors were sold to the visitors in their two countries, there would be a considerable increase in the profitability of British companies which should reflect in the stan-

### A Productivity Commission

From Dr. L. Payne

Sir—In the wake of the constructive discussion given to ICI's bonus-sharing report (January 7) and the urgent need for a more flexible incentive-oriented scheme in the much wider area of incomes policy, may I elaborate upon the basic idea proposed in my letter of June 5, 1976, in which I stated that "Surely if a Price Commission can create and administer a workable range of auditable productivity reference levels in capital investment, overhead containment, which completely eluded the widely discredited productivity bargaining deals which could not be independently audited and could be fiddled."

I am aware of course that a CPRI so-defined would not, in principle, reflect improvements solely due to additional capital expenditure—hence why wage/salary norms should be related to a portion of the CPRI annual increase—but this is not a bad fault if it encourages unions to urge effective capital investment.

To another possible objection that the scheme could only be sensibly applied to firms of a certain size comprising perhaps only 80 per cent of the private sector, I suggest that the remaining 20 per cent plus the public sector, be assigned a CPRI as determined by the average of the CPRLs for the 80 per cent of the wealth-producing sector.

A single letter of course, cannot do more than indicate possi-

bilities, but it is pretty clear that such a scheme would stand many of the absurdities of current wage bargaining (in relation to manning, pricing, investment, demarcation, profit, etc.) on their heads. Indeed the mind boggles at the migration of labour from the less well-performing companies, and from the public sector, to the much more rapidly increasing wage-levels of the well-performing companies, being simultaneously made more productive and competitive.

To the cynics and especially the bureaucrats who have a vested interest in complexity and who manage a whirl of counter-productive price-incomes legislation, can I parrot the dictum that in an imperfect world, it really is far better to get important matters roughly right rather than precisely wrong.

L. C. Payne,  
Shenley Grange,  
Shenley, Heref.

One specific idea is to use the ratio of total added value to total manpower costs as the auditable corporate productivity reference level (CPRL). Annual increases in this index (averaged over one or several years) would be the basis for determining the wage/salary norm for each enterprise. Such a norm would clearly be related to individual

levels for each and every organisation in the country?"

One specific idea is to use the ratio of total added value to total manpower costs as the auditable corporate productivity reference level (CPRL). Annual increases in this index (averaged over one or several years) would be the basis for determining the wage/salary norm for each enterprise. Such a norm would clearly be related to individual

levels for each and every organisation in the country?"

2.5 miles even total car costs are cheaper than the NBC fare. And the situation in South Glamorgan is not untypical of the country as a whole, except where buses are heavily subsidised (for money and energy, of various modes of passenger transport).

He quotes certain energy figures from a paper from the Advisory Council on Energy Conservation, which in themselves show that bus transport is more economical of energy than rail transport (in fact for 1975 (or 1975-76 in the case of the London Transport system the total fuel cost per passenger-mile is about three times as high on a foot of column).

In calculating these figures, I have added investment expenditure to operating costs, which is what I have calculated total expenditure on a self-financing investment basis (which is per-

haps more appropriate for a declining industry like the railways than for an expanding one like BA). The BR and BA figures relate to their main activities only. I have had to make various assumptions (including that of an average load of 15 passengers on an NBC bus) which are too complicated (especially those concerning BA) to describe in this letter. But making different assumptions would not make a very great difference to the overall picture.

It may surprise some people to know that BA's cost of providing services works out much cheaper per passenger-mile than does BR's or London Transport's; but that is what the figures show to be the case.

Incidentally the new (and greatly reduced) book value given for BR's operational land and buildings and structures (£174m) works out at only £16.55 per route mile. If that is their value in rail use, their value if used for road might be very substantially greater.

Victor Evelyn,  
15, Lansdowne Road, S.W.20.

Cost per passenger-mile (including investment)	Subsidy per passenger-mile	As per cent of cost
London Transport	5.70p	2.70
British Rail	4.96p	2.50
National Bus Company	3.00p	0.51
British Airways	4.04p	0.47

BY ELINOR GOODMAN

over from the Pantomime as the well indeed, in general place for family outings.

Takings on the first day of November the average level of 0.2 per cent below the sales at Selfridges were 45 volume. And this was at a time in the three months to November, up on the first day last when, most West End stores were 1 per cent higher than in year, while at the old Marshall and Snelgrove store, now trading with much more punch under the name of Debenhams, the increase was nearer 75 per cent.

### Pressure

All seemingly at odds with the idea of disposable incomes being under pressure. Unless, as a shopper at Harrods suggested, people were "buying like there was no tomorrow." More probably they thought they would not be able to afford the goods tomorrow. Though by the end of the first days of their sales, some stores looked like fish markets after the heavy mob had moved in, there were good bargains to be had and consumers are, if anything, more appreciative of these bargains than they were in the past.

Now that the dust has settled on Christmas and, to a lesser extent, on the sales, most retailers agree that Christmas was good for business—though some rather sourly make the point that Christmas always is good and if it was not, they really would be in trouble. When the successful their sales have been, most retailers would admit that 1976 was considerably better than expected. At

the beginning of the year some mean groups were predicting a further big fall in the volume of sales. But in the event, volume

livened by sudden buying spurs brought on by such things as the Budget.

This, together with uncertainty on the wages front, has made prediction difficult.

Another notable feature of 1976 was the bumpy nature of trade. The payment of the tax rebates in the summer and the relaxation of credit restrictions, produced a small lift in the summer as did fears of increased VAT in the December Budget. Retailers plastered signs all over their windows weeks before the Budget, stating ominously "no VAT increase YET." Fears of an increase in the rate of VAT helped the pre-Christmas trade, though some retailers suggest that the importance of a VAT scare has been exaggerated as shown by their good sales of consumer durables since the summer. In the weeks before Christmas, some companies like Currys said sales were 80 per cent up on the same period in 1975, while some of the off-licence chains also had a bonanza.

The boom was nothing like the 1975 buying spree, when the Chancellor gave a two-week warning of the higher rate of VAT, but it was enough to get people into the shops. And, once in, some took the opportunity to do their Christmas shopping early. Immediately after Budget day, sales of consumer durables in some shops dropped, larger household items—had recovered than those of most manufacturers. The lower rate of wage increase means that the outlook on costs is better—at least until the summer. The worry in the trade is that gross margins may be eroded as retailers fight for a bigger share of a static market.

Some smaller provincial store groups did less well. In the West Midlands, one of the most sales down on last year, the John Lewis Partnership also says that its sales in the second week

of December results prove to be, the figures for the year as a whole will be below those for at least 60 per cent.

The 1974 Since 1973, the volume of shop sales has dropped by around 2.5 per cent, and though been tourists. Armed not so things started looking better in much with cameras and guide books to historic monuments and buildings, though some retailers expect a real growth in the market this year. That does not mean to say, however, that some of the big groups like Debenhams are not hoping to increase their volume by taking trade from other stores.

In spite of the trade's tendency to be pessimistic (except at sale time when some stores seem to hope to create a snowball effect by declaring how would be in trouble. When the successful their sales have been, most retailers would admit that 1976 was considerably better than expected. At the beginning of the year some mean groups were predicting a further big fall in the volume of sales. But in the event, volume

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### Pattern

Until the new wages policy is agreed, few people are prepared to forecast far head but the Chancellor has himself predicted consumer expenditure will fall by 2 per cent this year. What does seem certain is that 1977 will also see an uneven pattern of trade. London doing considerably better than the rest of the country. The Queen's Jubilee may prove an added attraction for tourists (Oxford Street is to be dressed out in silver) while domestic trade may well be stimulated by yet another VAT scare in the spring.

This time, however, the fears may prove to be justified and, even if there is a cut in personal taxation, an increase in VAT which usually sells well in the to make up for the fall in their could temporarily dampen demand in some areas. In this situation, retailers look forward to early start moving in the in 1975 in having to cope with 1976's second week—like furniture and static volume, their profit as "cautious pessimism."

## To-day's Events

### GENERAL

Balance of payments figures for December.

EBC Finance Ministers meet.

United Road Transport Union holds national meeting of delegates to decide what further action to take on bread prices.

From to-day, Transport and

General Workers' Union members

Scotland will not deliver to shops selling at less than 17p a loaf.

Evaluation of 8 per cent in Irish "green" pound agreed by EBC Agriculture Ministers comes into effect.

Resumed extradition proceedings against Mr. Jim Slater and Mr. Richard Taitling, Horseferry Road Court, S.W.1.

Sir Francis Sandilands, chair-

man, Committee on Invisible

Exports, and chairman, Commer-

cial Committee on Commer-

cial and Economic Com-

mittee, addresses Insurance Institute of London on "The Role of the City in the Export of Invisibles—

including Insurance and Re-insur-

ance."

29, Aldermanbury, E.C.2.

5.30 p.m.

PARLIAMENTARY BUSINESS

House of Commons: Tributes to Lord Avon, including one from the Prime Minister. House then adjourns as a mark of respect.

all scheduled business and com-

mittees are cancelled.

OFFICIAL STATISTICS

Retail sales (December, pro-

visional).

Pompeii AD 79 exhibition.

Royal Academy of Arts, Bir-

mington House, Piccadilly, W.1 (until

February 27).

EXHIBITIONS

William Caxton exhibition.

British Library, Great Russell

Street, W.C.1 (until January 31).

New South Wales Stamps

Exhibition, Gibbons Gallery,

Strand, W.C.2 (until January 31).

British Jewellery Through 7,000 Years

British Museum, Bloomsbury

W.C.1 (until February 11).

MUSIC

Concert performance of

Rossini's "Tancredi" by Park

Lane Players and Chorus.

Conductor John Perris, with



## F.T.—ACTUARIES SHARE INDICES

Index values at December 31, 1976.

## EQUITY GROUPS

Friday, December 31, 1976

## GROUPS &amp; SUB-SECTIONS

Figures in parentheses show number of stocks per section.

	Ext. Earnings	Gross Div.	Ext. P/E	Ext. Ratio	Ext. Corp.	Tax Ratio
1. CAPITAL GOODS (178)	131.92	21.53	7.29	6.92	6.95	
2. Building Materials (30)	109.69	22.68	8.96	6.95	6.94	
3. Contracting, Construction (22)	164.50	27.07	6.65	5.70	5.70	
4. Electricals (16)	265.57	18.48	5.44	6.07	7.87	
5. Engineering (Heavy) (13)	165.31	29.24	7.04	4.98	4.91	
6. Engineering (General) (66)	122.71	21.32	7.62	6.95	6.92	
7. Machine and Other Tools (9)	65.82	17.70	7.95	8.44	8.42	
8. Miscellaneous (22)	110.20	21.85	8.44	6.67	6.61	
9. CONSUMER GOODS (24)	115.65	21.59	6.18	6.94	6.93	
10. DURABLE (53)	128.41	19.75	4.59	7.54	7.55	
11. Lit. Electronics, Radio, TV (15)	128.41	19.75	4.59	7.54	7.55	
12. Household Goods (13)	119.91	25.49	10.00	5.97	5.95	
13. Motors and Distributors (25)	76.79	23.11	7.42	6.50	6.50	
14. CONSUMER GOODS (NON-DURABLE) (170)	185.87	17.11	7.25	6.95	6.75	
15. Breweries (15)	148.70	16.13	7.63	9.29	9.29	
16. Wings and Spirits (6)	187.07	16.07	7.22	9.55	9.55	
17. Entertainment, Catering (15)	175.82	15.52	7.73	6.95	6.94	
18. Food Manufacturing (23)	168.51	19.87	6.32	7.86	7.84	
19. Food Retailing (16)	128.42	15.99	6.30	9.04	9.04	
20. Newspapers, Publishing (16)	200.86	13.16	5.34	11.52	11.52	
21. Packaging and Paper (12)	90.14	19.82	8.94	7.74	7.74	
22. Stores (34)	110.43	14.18	6.47	10.88	10.86	
23. Textiles (24)	180.27	17.01	9.86	9.22	9.28	
24. Tobaccos (3)	204.47	21.43	8.45	6.94	6.94	
25. Toys and Games (6)	74.61	22.19	8.50	6.04	6.02	
26. OTHER GROUPS (95)						
27. Chemicals (26)	204.10	16.20	5.66	8.45	8.45	
28. Office Equipment (8)	72.91	16.97	7.25	6.55	6.55	
29. Shipping (11)	395.02	13.61	6.72	10.56	9.61	
30. Miscellaneous (30)	138.99	18.13	8.50	8.80	8.20	
31. INDUSTRIAL GROUP (496)	140.13	18.25	7.03	8.10	8.03	
32. OILS (4)	432.74	9.84	4.05	11.77	10.85	
33. 500 SHARE INDEX	163.41	16.60	6.84	8.65	8.46	
34. FINANCIAL GROUP (100)	116.08	—	6.78	—	—	
35. Banks (6)	145.85	25.19	6.54	6.95	6.63	
36. Discount Houses (10)	154.37	—	9.03	—	—	
37. Hire Purchase (5)	80.50	9.12	4.84	24.24	24.24	
38. Insurance (Life) (10)	95.88	—	7.89	—	—	
39. Insurance (Composite) (7)	90.60	—	8.16	—	—	
40. Insurance Brokers (10)	243.86	12.34	5.82	12.18	12.18	
41. Merchant Banks (15)	57.06	—	7.36	—	—	
42. Property (31)	158.65	5.85	4.05	30.58	28.97	
43. Miscellaneous (16)	71.03	18.92	12.14	8.04	8.04	
44. Investment Trust (50)	156.66	5.44	4.95	30.65	30.03	
45. ALL-SHARE INDEX (650)	151.96	—	6.42	—	—	
46. COMMODITY GROUPS (Not included in 500 or All-Share Index)						
47. Rubbers (9)	500.07	9.25	5.74	15.96	13.19	
48. Texts (8)	137.34	30.73	8.96	4.22	4.14	
49. Copper (3)	157.27	41.20	7.12	2.43	2.43	
50. Mining Finance (11)	84.42	12.54	6.00	10.11	9.90	
51. Tires (5)	135.58	10.59	8.32	14.53	14.54	
52. Overseas Traders (13)	212.56	17.50	6.49	7.92	7.91	

	Friday Dec. 31	Thurs. Index No.	Weds. Div.	Thurs. Div.	Friday Div.
1. Consols 2½% yield	—	—	14.47	14.46	14.46
2. 20-yr. Govt. Stocks (6)	46.87	15.98	46.34	46.02	45.81
3. 20-yr. Red. Deb. & Loans (15)	46.08	15.96	46.70	46.57	46.49
4. Investment Trust Prefs. (15)	44.66	15.58	45.18	45.04	44.99
5. Com. and Ind. Prefs. (20)	62.57	14.44	53.15	63.15	63.01

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1. Consols 2½% yield	—	—	14.47	14.46	14.46
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3. 20-yr. Red. Deb. & Loans (15)	46.08	15.96	46.70	46.57	46.49
4. Investment Trust Prefs. (15)	44.66	15.58	45.18	45.04	44.99
5. Com. and Ind. Prefs. (20)	62.57	14.44	53.15	63.15	63.01

## MAJOR GARAGE AT CARDIFF

- ★ Long leasehold site of 132 acres on main road
- ★ Well equipped modern workshops of 14,000 sq. ft.
- ★ Adequate vehicle parking areas
- ★ Well sited Parts Department of 5,000 sq. ft. close to main site
- ★ A team of skilled staff and operatives totalling approximately 50 persons
- Vendor giving up heavy commercial vehicle distribution franchise.

For further particulars please contact Managing Director, Box AB11, Financial Times, 10, Cannon Street, EC4P 4BY.

## COMPANY NOTICES

## CITY OF OSLO

11% 1972/1987 FF 100,000,000 Loan

We inform the bondholders that the 6th annual redemption of FF 2,500,000 due on March 1, 1977 has been effected by purchase on the market.

Amount outstanding: FF 87,500,000.

Luxembourg, January 17, 1977.

THE PRINCIPAL PAYING AGENT  
KREDITET BANK  
S. A. Luxembourg

SOCIETE NATIONALE DES CHEMINS DE FER FRANCAIS  
S.N.C.F. 75% 1971/1986 UA 15,000,000 Loan

Notice is hereby given to bondholders of the above loan that the amount redeemable on March 25, 1977 i.e. UA 900,000 was bought into the market.

Amount outstanding after the redemption: UA 11,600,000.

Luxembourg, January 21, 1977.

The Trustee  
FINIMI TRUST S.A.

60,000,000 European Composite Units

European Investment Bank

8% Bonds of 1974, due 1988

Notice is hereby given that the amount to become due against coupons no. 3 dated 16th January, 1977 for the above bonds is SU\$22.40 per coupon. In the case of coupons in respect of which valid selection of another currency of payment has been made DM220.714 per coupon.

European Investment Bank

## APPOINTMENTS

Hongkong & Shanghai  
Bank chairmanship

Mr. G. M. Sayer, chairman of the HONGKONG AND SHANGHAI BANKING CORPORATION, is to retire on September 1, 1977 and will be succeeded by Mr. M. G. R. Sandberg, the present deputy-chairman. Mr. Sayer, who joined the Bank in 1946, was appointed general manager and a director in 1970, deputy-chairman in 1971 and chairman in 1972. Mr. Sandberg, who has been with the Bank since 1948, joined its Board in 1972 and became deputy-chairman in 1973.

Mr. D. V. Ayres, who was recently appointed an executive director of IMPERIAL METAL INDUSTRIES, will become chairman of Yorkshire Imperial Metals and Yorkshire Imperial Plastics on the retirement of Dr. W. H. G. Lake in March. He will continue as managing director of Yorkshire Imperial Metals, Mr. G. Allen, currently managing director of IMPERIAL METAL INDUSTRIES, will from April 1, 1977 become managing director responsible for Wilton Site co-ordination and for the employee relations departments. He will also become a member of the Boards of Enots, Norsem, Shipman and T.M. Lewis, currently director, component division, and general manager, pressed products.

Mr. Philip O'Donoghue, who has been appointed executive chairman of ANGLO-IRISH BANK, was formerly managing director of Trinity Bank. Also joining the Anglo-Irish Board are Mr. John H. Donovan, president of the Confederation of Irish Industry, Mr. Patrick J. Kennedy, chairman of the Northern Civil Engineering Group, which bears his name; and Mr. Dermot L. Shortall, formerly a partner in Coopers and Lybrand, chartered accountants.

Mr. Christopher Simpson and Mr. Frederick Marsh have become vice-chairmen. \*

Mr. Anthony P. Brown has been appointed assistant director of the STANDARD CHARTERED MERCHANT BANK.

Mr. Robin J. Vincent has been appointed deputy managing director of YARDLEY OF LONDON and Mr. Graham R. Dean is to be appointed assistant director of VINTON.

Mr. C. A. Scott has been appointed managing director of the ROM RIVER COMPANY.

Mr. C. A. Scott has been appointed managing director of the ROM RIVER COMPANY.

Mr. Irving Sader has been appointed vice-president of manufacturing for DOW CHEMICAL EUROPE, Mr. Snyder, director of Isobutene, currently general manager of Sir Denis Dohson at Easter. The Lord Chancellor has appointed Mr. Bourne to succeed Sir Denis as his permanent secretary.

Mr. John H. Arndt has been appointed research director at the PAINT RESEARCH ASSOCIATION. He will take up this post on February 1. \*

# AUTHORISED UNIT TRUSTS

## **INSURANCE, PROPERTY, BONDS**

## REGIONAL MARKETS

A selection of the share prices previously shown under regional headings is presented below with quotations on London Irish issues, 70% of which are not officially listed in London, are shown separately and with others as on the Irish exchange.

Albion Inv 297	18	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Albion Inv 297	18	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100

FINANCIAL TIMES STOCK INDICES

	June 19	July 1	July 11	July 11	July 12	July 13	July 13
Expenditures	63.16	63.10	62.88	62.76	62.56	61.69	63.10
Salaries	64.05	64.22	63.86	63.70	63.20	61.93	62.44
Instructional Materials	365.9	365.3	367.6	368.6	365.6	365.6	363.3
Office Supplies	112.1	112.3	112.1	108.4	114.5	117.4	216.7
Postage, Freight	6.18	6.19	6.51	6.25	6.14	6.12	6.21
Printing & Mailing	19.13	19.17	19.54	19.51	19.24	19.16	14.55
Other Expenses	7.65	7.64	7.49	7.51	7.61	7.65	10.08
Operating Reserve	6.595	5.847	6.176	7.525	6.154	7.054	8.755
Capital Reserve	—	65.84	59.57	64.99	65.75	65.91	89.67
Equipment Reserve	—	14,068	12,663	13,912	14,764	15,005	21,664
Total	97.11	97.00	96.41	96.41	97.11	97.11	97.11
Less Prior Period	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Expenditures	95.61	95.50	94.91	94.91	95.61	95.61	95.61

# RIGHTS AND LOWS

## S.E. Asia

	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Gold, Spec.	65.31	55.86	427.4	49.16	Bull	270.2	250.6
	55.4	51.3	41.3	51.3	Edged	139.1	184.4
Argent Inst.	54.43	55.97	15.4	50.52	Speculative	55.7	36.9
	52.1	51.1	15.1	51.1	Locat...	145.6	133.1
Ind. Index	420.6	365.1	545.6	49.4	Spec. A/T	271.3	261.5
	32	1.1	1.1	1.1	Edged	197.3	210.1
Gold Mines	146.9	78.2	442.5	42.5	Speculative	117.7	41.1
	1.1	1.1	1.1	1.1	Locat... Locat...	126.1	152.9

11. *Leucosia* (Leucosia) *leucostoma* (Fabricius) (Fig. 11)

# BASE LENDING RATES

A.B.N. Bank	14 1/2	■ Hambros Bank	14 1/2
Alfred Irish Bank's Ltd.	14 1/2	■ Hill Samuel	14 1/2
American Express Bank	14 1/2	■ C. Hoare & Co.	14 1/2
Anglo-Portuguese Bank	14 1/2	■ Julian S. Hodge	14 1/2
Henry Ansbacher	14 1/2	■ Hongkong & Shanghai	14 1/2
Europa de Bélgica	14 1/2	■ Industrial Bank of Scot.	14 1/2
Bank of Credit & Commerce	14 1/2	■ Kaiser Ullmann	14 1/2
Bank of Cyprus	14 1/2	■ Unicredit & Co. Ltd.	14 1/2
Bank of N.S.W.	14 1/2	■ Lloyds Bank	14 1/2
Banque du Rhône S.A.	14 1/2	■ London & European	14 1/2
Barclays's Bank	14 1/2	■ London Mercantile	14 1/2
Barnett Christie Ltd.	15 1/2	■ Midland Bank	14 1/2
Bearn Securities	14 1/2	■ Samuel Montagu	14 1/2
Brenter Holdings Ltd.	14 1/2	■ Morgan Grenfell	14 1/2
Brit. Bank of Mid. East	14 1/2	■ National Westminster	14 1/2
■ Brown Brothers	14 1/2	■ Norwich General Trust	14 1/2
Canada Permanent Afri	14 1/2	■ P. S. Refson & Co.	14 1/2
Capitol C. & C. Fin. Ltd.	14 1/2	■ Rossminster Accepts	14 1/2
Cayzer Bowater Co. Ltd.	14 1/2	■ Royal Bk. Canada Trust	14 1/2
Cedars Holdings	14 1/2	■ Schlesinger Limited	14 1/2
■ Charterhouse Japhet	14 1/2	■ E. S. Schwab	14 1/2
C. E. Coates	15 1/2	■ Security Trust Co. Ltd.	15 1/2
Consolidated Credits	14 1/2	■ Sherley Trust	14 1/2
Cooperative Bank	14 1/2	■ Standard Chartered	14 1/2
Corinthian Securities	14 1/2	■ Trade Development Bk.	14 1/2
Credit Lyonnais	14 1/2	■ Twentieth Century Bk.	15 1/2
G. R. Doyes	15 1/2	■ United Bank of Kuwait	14 1/2
Dunlop Lawrie	14 1/2	■ Whiteaway Lairdlaw	14 1/2
East Trust	14 1/2	■ Williams & Glyn's	14 1/2
English Transcont	14 1/2	■ Yorkshire Bank	14 1/2
First London Secs.	14 1/2	■ Members of the Accepting Houses Committee.	
First Nat. Fin. Corp.	14 1/2	■ Daily deposits 11% - 1-month & deposits 11 1/2%	
First Nat. Fin. Corp.	14 1/2	■ Daily deposits on sums of £10,000 and under 11 1/2% up to £25,000 11 1/2% and over £25,000 11 1/2%	
Grannie Durgon Trust	14 1/2	■ Demand deposits 11%	
■ Antwerp Gold	14 1/2	■ Daily deposits over £25,000 11%	
Greyhounds Germany	14 1/2		
Gundilays Bank	14 1/2		
■ Guinness Malton	14 1/2		

## OFFSHORE AND OVERSEAS FUNDS

Neptune Invtl. Fd. Mgrs.		TSB Unit Trust Managers (U.K.)
1. Charing Cross, St. Helier, Jersey	0534 20041	Esqatelle Rd, St. Savoir, Jersey
International Fd. [23.7] 26.9] -0.4] 5.11		J.S. E. Units [100] 11.61
"As at Jan. 14. Next deal. day Jan. 21.		Prices on Jan. 12 Next deal. day Jan. 21.
Old Court Fund Mgrs. Ltd.		Tokyo Pacific Holdings N.V.
P.O. Box 58, St. Julian's Ct., Guernsey	0491 20001	Imulus Management Co. N.Y., U.S.A.
OCFA Fd. Dec. 31 443.3 46.9] 4.19		NAV per share Jan. 10 10.92
Inc. Fd. Jan. 4 115.3 122.2 7.90		NAV per share Jan. 10 10.92
Int. Fd. Dec. 15 102.0 103.3 7.90		Tokyo Pacific Bridge (Seaboard)
Scm Co. Fd. Dec. 31 83.2 93.6 7.85		Imulus Management Co. N.Y., U.S.A.
Old Court Commodity Fd. Mgrs. Ltd.		NAV per share Jan. 10 10.92
P.O. Box 58, St. Julian's Ct., Guernsey 0491 20741		
OCFA Commodity Trust [223.3] 123.8] -3.51		
Prices of Jan. 14. Next dealing Jan. 31.		
Property Growth Overseas Ltd.		Tyndall Group
28, Main Town, Gibraltar	(Gib) 8106	Hamilton, Bermuda & St. Helena, U.K.
U.S. Dollar Fund - 1122.50		Overseas Jan. 12 105.11 1.00
Sterling Fund - 1104.40		Accum. Units [100] 11.00
Royal Trust (CI) Fd. Mgr. Ltd.		TASCO Jan. 12 105.22 1.00
P.O. Box 194, Royal Tel. Msc., Jersey, U.S. 0534 27441		Divid. in Dec. 16 105.22 1.00
E.T. Int'l. Fd. [105.9] 93.1		TTSF Jan. 12 107.20 1.00
E.T. Int'l. Inv. Fd. [92.0] 101.0		Accum. Shares [100] 107.20 1.00
Prices at Dec. 15. Next dealing Jan. 14.		TOPI 200 Jan. 12 107.20 1.00
Save & Prosper International		Accum. Shares [100] 107.20 1.00
Dealing to:		Gilt. Inv. Shares [100] 107.20 1.00
57 Broad St., St. Helier, Jersey	0534-20591	Accum. Shares [100] 107.20 1.00
U.S. Dollar-denominated Funds		Gilt. Inv. Shares [100] 107.20 1.00
Dir. Fd. Int'l. - 9.52 10.22 1.04		Joy. Man. Div. 16 107.20 1.00
Int. C. Int'l. - 9.52 10.22 1.04		
Far Eastern - 37.86 39.10 1.00		
North American - 12.50 12.70 1.00		
Sep. Inv. - 10.15 10.30 1.00		
Sterling-denominated Funds		
Channel Capital [107.7] 106.94 -2.4 2.13		
Channel Inv. [100.0] 99.00 -2.1 2.13		
Commodity - 134.1 141.2 1.00		
St. Fd. Int'l. [104.3] 104.3 1.00		
Prices on Jan. 10. "Jan. 12. "Jan. 30.		
"Weekly Dealings"		
Schlesinger Fd. Mgrs. (Jersey) Ltd.		United States Tst. Inv. Ass.
P.O. Box 197, St. Helier, Jersey	0534-20591	14. Rue Alzinger, Luxembourg
S.A.O.I. Jan. 12 108 55 7.57		U.S. Tst. Inv. Fund [100] 105.25
Int'l. Fd. Jersey [125.0] 127.8 1.00 5.74		Net asset value Jan. 10
Int'l. Fd. Luxembourg [110.50] 110.00 -0.07 5.63		
S.A.O.I. Jan. 12 110.50 110.00 -0.07 5.63		
J. Henry Schroder Waggon & Co. Ltd.		S. G. Warburg & Co. Ltd.
120, Cheshire St., E.C.2	01-3684070	20, Grosvenor Street, E.C.2
Chase E. Inv. 100	101.98 101.64	Cev. Bd. Jan. 14 - 105.90
Technic Nov. 31 105.95 105.95 2.40		Energy Inv. Jan. 14 105.90
Assist Fd. Jan. 16 105.40 105.30 2.00		Gr. St. Inv. Dec. 31 105.90
Daring Fd. 104.61 104.72 2.00		
Singer & Friedlander Ltd. Agents		Warburg Invest. Mgrs. Inv.
20, Cannon St., E.C.4	01-2660646	1 Charing Cross, St. Helier, Jersey
Dotcomfunds [105.45] 107.50 1.00 7.00		CMF Ltd. Dec. 31 105.90
Tyco Tel. Dec. 31 105.28 105.28 1.00 7.00		CMT Ltd. Dec. 30 105.72
For Slater Walker see Britannia (U.K.)		Metals Tst. Dec. 16 105.28
Sarinvest (Jersey) Ltd.		TIT Ltd. Dec. 9 105.72
P.O. Box 98, St. Helier, Jersey	0534 23101	TIT Ltd. Dec. 8 105.42
American Inv. [105.52] 104.03 -0.05 0.98		World Wide Growth Mgrs.
Coppertrust [112.67] 113.51 -0.01 0.98		10a, Boulevard Royal, Luxembourg
Surinvest Trust Managers Limited		Worldwideotc.com [105.87]
19, Athel Street, Douglas, I.O.M.	0534 23101	

Benjewerd Royal, L.  
dWideGhLFd. | SUS

NOTE  
do not include 5 per cent  
deducted, and are in  
addition. Yields are  
based on all buying  
and selling at  
all exchanges  
and based on offer  
and day's opening  
price. Yields are  
not tax-exempt  
unless otherwise  
stated. Yields are  
based on price  
of through management  
and yield of tax on  
indicated by A  
and suspended  
stocks. Yields  
are based on

The Financial Times Monday January 17 1977

## THE FINANCIAL AND COMPANY NEWS

## S. Korean nuclear order

BY TONY HAWKINS

IS KOREAN Electric Company signed contracts with the S. Westinghouse Electric Corporation and GEC Turbine Generators Ltd. for the construction of a second nuclear power plant at Ko-ri, 20 miles from Pusan. The total cost of the project is put at \$898.5m. The U.K. Government support, in the form of credits and guarantees, totalling \$364.5m, with a years final maturity.

As part of the financing package, a group of international banks is providing \$132.5m. in the form of a 7-year Euroloan. The managers of the loan indicate are First Chicago (the agent bank), Lazarus & Co., Amex Bank, Bank of America, Lloyds Bank International, Banque Europeenne de l'U.E.A.F. The Exim Bank of the U.S. is participating in the U.S. content of the export contracts to the extent

The loan is one of the largest arranged for a Korean borrower and is guaranteed by the Korea Development Bank. The spread is 1% per cent. above Libor (London interbank offered rate), and a 3% per cent. commitment fee. There is a three-year grace period before repayments start, and a 60-month drawdown period, giving a 28 years estimated average outstanding life for the loan.

First Chicago is also agent bank and manager for a \$50m. Eurocredit for the Ivory Coast, which will be used to help finance the \$152m. development of the Katikola Marabaddissa sugar project. Other managers in the syndicate are Banque Beige Ltd. of London, Banque de Paris et des Pays-Bas, Belge and Westdeutsche Landesbank. A group of major international banks is being approached with invitations to participate in this loan.

## ESTEL expects fourth quarter earnings setback

BY MICHAEL VAN OS

AMSTERDAM, Jan. 16.

ESTEL, the Dutch-German steel company, has said that although its results for the fourth quarter of 1976 are not yet known, "they are not expected to have continued the gradual improvement of the previous periods." The statement was made by the company in its prospectus to-day for the issue of Fls.150m. bond loan.

The loan (dated 1973-87) which carries a coupon of 8.5 per cent., will partially be used to finance several investments. The issue price for the loan, which is offered by a syndicate led by BN, AMVEST and Rabobank, will be announced on January 19. An amount to be fixed later at least Fls.30m. and at most Fls.50m. will be placed abroad with the cooperation of Deutsche Bank and Union Bank of Switzerland (securities).

The prospectus says that the bond board does not see a substantial increase in steel consumption before the second half of the current year. It was not expected, therefore, "that the developments would be taken into account.

After largest investment programmes in previous years, investments in 1975 and 1976 were put at about Fls.50m. and about Fls.50m., respectively. With the drawing up of this year's programme, the investment for the loan, which is offered by a syndicate led by BN, AMVEST and Rabobank, will be announced on January 19. An amount to be fixed later at least Fls.30m. and at most Fls.50m. will be placed abroad with the cooperation of Deutsche Bank and Union Bank of Switzerland (securities).

The prospectus says that the

in the longer term, the board expect steel market conditions to improve on the recent period. It is added that "the close co-operation within the ECSC framework, which has recently been decided on, will in addition be able to reinforce the position of the European steel industry."

The investment programme so far will give ESTEL a good starting base for more positive results after the current decline in the steel market. As for investment policy, it was pointed out in the prospectus that the chief aim continued to be to maintain the competitiveness of the steel sector and to improve the company structure through a further expansion of activities in the sector's steel processing and diversification.

Under largest investment programmes in previous years, investments in 1975 and 1976 were put at about Fls.50m. and about Fls.50m., respectively.

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After largest investment programmes in previous years, investments in 1975 and 1976 were put at about Fls.50m. and about Fls.50m., respectively.

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WOOD  
GUNDY

# Wood Gundy managed and co-managed 46 Eurobond issues totalling more than \$1.6 Billion in 1976:

Australian Shipping Commission  
US \$42m 8½% Guaranteed bonds due 1983.

Australian Shipping Commission  
DM 100m 8% Guaranteed bonds due 1983.

Banque Canadienne Nationale  
Can. \$15m 9½% Debentures due 1982.

Bell Canada  
US \$60m 8½% Debentures due 1986.

Beneficial Finance International Corporation  
Can. \$25m 9½% Guaranteed notes due 1982.

Brascan International Capital Corporation  
US \$30m 9½% Guaranteed notes due 1982.

Canada Trustco Mortgage Company  
Can. \$25m 9½% Debentures due 1981.

Du Pont of Canada Limited  
Can. \$50m 9½% Notes due 1981.

Ford Motor Credit Company of Canada, Limited  
Can. \$40m 9½% Guaranteed notes due 1982.

General Motors Acceptance Corporation of Canada, Limited  
Can. \$50m 9% Guaranteed notes due 1982.

General Motors Acceptance Corporation of Canada, Limited  
Can. \$50m 9½% Guaranteed debentures due 1986.

General Motors Acceptance Corporation of Canada, Limited  
Can. \$40m 9½% Guaranteed notes due 1983.

General Motors Acceptance Corporation of Canada, Limited  
Can. \$30m 9% Guaranteed notes due 1981.

General Motors Acceptance Corporation of Canada, Limited  
Can. \$30m 9½% Guaranteed debentures due 1988.

Walter E. Heller Canada, Ltd.  
Can. \$15m 9½% Guaranteed notes due 1981.

Home Oil Company Limited  
US \$25m 9½% Debentures due 1986.

IAC Limited  
Can. \$25m 9½% Notes due 1981.

ISE Canadian Finance Ltd.  
US \$45m 9% Guaranteed notes due 1982.

ISE Canadian Finance Ltd.  
US \$35m 9½% Guaranteed debentures due 1986.

ISE Canadian Finance Ltd.  
Can. \$25m 9½% Guaranteed notes due 1982.

ISE Canadian Finance Ltd.  
Can. \$25m Guaranteed debentures due 1986.

Province of Manitoba  
US \$50m 8½% Debentures due 1983.

Noranda Mines Limited  
Can. \$25m 9½% Notes due 1982.

Norcen Energy Resources Limited  
Can. \$20m 9½% Secured debentures due 1983.

Province of Nova Scotia  
Can. \$30m 9% Debentures due 1983.

Ontario Hydro  
US \$75m 9% Guaranteed notes due 1983.

Ontario Hydro  
US \$75m 8½% Guaranteed notes due 1983.

Ontario Hydro  
US \$100m 8½% Guaranteed bonds due 1986.

PanCanadian Petroleum Limited  
Can. \$35m 9½% Debentures due 1983.

Polysar Limited  
US \$30m 10% Debentures due 1982.

Polysar Limited  
US \$50m 9½% Debentures due 1986.

Quebec Urban Community  
Can. \$15m 9½% Bonds due 1983.

The Royal Bank of Canada  
Can. \$35m 8½% Debentures due 1982.

The Royal Bank of Canada  
Can. \$35m 9½% Debentures due 1988.

The Royal Trust Company Mortgage Corporation  
Can. \$20m 9½% Debentures due 1981.

The Royal Trust Company Mortgage Corporation  
Can. \$20m 9½% Debentures due 1982.

RoyMor Ltd.  
Can. \$30m 9½% Debentures due 1982.

RoyNat Ltd.  
Can. \$20m 9½% Secured notes due 1981.

Province of Saskatchewan  
US \$75m 8½% Bonds due 1986.

The Seagram Company Ltd.  
US \$60m 9% Notes due 1983.

Simpsons-Sears Acceptance Company Limited  
Can. \$20m 9½% Guaranteed secured debentures due 1983.

Sundstrand Finance International N.V.  
US \$20m 9½% Guaranteed Sinking fund notes due 1983.

Texasgulf Canada Ltd.  
Can. \$25m 9½% Guaranteed notes due 1982.

Texasgulf Canada Ltd.  
Can. \$25m 10% Guaranteed debentures due 1986.

Union Carbide Canada Limited  
Can. \$30m 9½% Notes due 1982.

Union Carbide Canada Limited  
Can. \$30m 9½% Debentures due 1986.

Wood Gundy also participated as underwriters in more than 250 issues  
denominated in US dollars, Canadian dollars, Deutsche marks, Units of Account and Kuwaiti dinars.

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# FT SHARE INFORMATION SERVICE

#### **BANKS AND HIRE PURCHASE**

INTERNATIONAL BANK

10. *Asia Soc. 73-75. --* 93-12

S. & DM prices exclude Inv. \$

AMERICANS							June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Ends	Stock	#	Last c.	Int. Gross	Cvt. Gr.	Vld Gr.	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
May 15	ASA	177 <sup>s</sup>	7.5	80c	—	2.9	Jan.	Feb.	Mar.	Apr.	May	June	July
	AMF 5 <sup>s</sup>	75	5 <sup>s</sup>	50c	—	1.2	Feb.	Mar.	Apr.	May	June	July	Aug.
De	Amex 51	46 <sup>s</sup>	4.11	\$1.75	—	2.4	Feb.	Mar.	Apr.	May	June	July	Aug.
	Babcock 1 <sup>s</sup>	25 <sup>s</sup>	2.11	40c	—	0.8	Apr.	May	June	July	Aug.	Sept.	Oct.
5. D.	Barnes Grp. 55	15 <sup>s</sup>	4.11	80c	—	3.6	Apr.	May	June	July	Aug.	Sept.	Oct.
	Bell & Howell 51	15 <sup>s</sup>	4.11	25c	—	3.6	Apr.	May	June	July	Aug.	Sept.	Oct.

## CANADIANS

## BUILDING INDUSTRY—Co.

Dividends | First | Prior | Last | Div  
Not

Conversion factor 0.7025 (0.7045)



